

JPRS-EER-86-041

20 March 1986

# East Europe Report

**FBIS** FOREIGN BROADCAST INFORMATION SERVICE

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

20 March 1986

## EAST EUROPE REPORT

### CONTENTS

#### AGRICULTURE

##### YUGOSLAVIA

- Montenegrin Agricultural Plans to 1991  
(Rade Grujic; PRIVREDNI PREGLED, 7-9 Dec 85)..... 1

#### ECONOMY

##### INTERNATIONAL AFFAIRS

- External Factors in CEMA Economic Development Viewed  
(Ondrej Ler, Ludek Urban; ZAHNANICNI OBCHOD, No 12,  
1985)..... 3
- East-West Trade Deals  
(POLITYKA, No 2, 11 Jan 86)..... 14
- CEMA Currencies Convertibility Not Likely  
(Marian Guzek; GOSPODARKA PLANOWA, No 7-8, Jul-Aug 85)... 16

##### CZECHOSLOVAKIA

- Issues in CPSU Congress Run-Up Explained  
(Fyodor Breus; TRYBUNA LUDU, 27 Jan 86)..... 21
- CPCZ's Hoffmann Attends Hungarian Trade Union Congress  
(Prague Domestic Service, 14 Feb 85)..... 23
- Heads Czech Trade Union Group 23  
Conveys Greetings to Gaspar 23

Austria-CSSR Relations Called 'Best Since WW I' (WIENER ZEITUNG, 12 Feb 86).....	24
RUDE PRAVO Notes Dissatisfaction With Robot Production (RUDE PRAVO, 6 Feb 86).....	26
Sugar Production Falls 14.1 Percent Short of Plan (PRAVDA, 7 Feb 86).....	28
<b>Briefs</b>	
Algerian Minister Received	30
Construction of TV Transmitters	30
Hoffmann, Kapek Attend Talks	30
Slovak SR Agricultural Commission Meets	31
Vietnamese Minister Arrives	31
Soviet Envoy Presents Awards	31
Polish Transport Protocol	32
Lenart, Salgovic Visit Enterprises	32
CSSR-SRV Treaty Anniversary	32
CSSR, Vietnam Sign Trade Agreement	32
Algeria, CSSR To Increase Cooperation	32
Czechoslovak-Mongolian Agreement Signed	33
<b>HUNGARY</b>	
<b>Briefs</b>	
Workers Leave for Kazakh Oilfields	34
<b>POLAND</b>	
Banker Urges Special Zloty Fund for Foreign Debt Service (Marian Minkiewicz; ZYCIE GOSPODARCZE, No 51/52, 22-29 Dec 85).....	35
New Polish Economic Society Officers Meet With Jaruzelski (ZYCIE GOSPODARCZE, No 51/52, 22-29 Dec 85).....	39
Polish Economic Society Chairman Reports on Meeting (Zdzislaw Sadowski; ZYCIE GOSPODARCZE, No 51/52, 22-29 Dec 85).....	41
<b>YUGOSLAVIA</b>	
Status of Associated Bank of Croatia (T. Kapetanac; PRIVREDNI PREGLED, 12 Dec 85).....	43
Public Bond To Create Jobs in Bosnia-Hercegovina (PRIVREDNI PREGLED, 3 Dec 85).....	45
Oil, Gas Production Plan, 1986-1990 (Vladimir Aksin, Josip Secen; NAFTA, No 7/8, Jul-Aug 85)...	46



Petrochemical Production From Oil, Gas to 1990 (Mirko Seler, et al.; NAFTA, No 7/8, Jul-Aug 85).....	50
Consumption of Oil Derivatives to 1990 (Ranko Ivanovic, et al.; NAFTA, No 7/8, Jul-Aug 85).....	62

## POLITICS

### INTERNATIONAL AFFAIRS

Romanian Papers Mark Budapest's Liberation Anniversary (AGERPRES, 13 Feb 86).....	68
--	----

### ALBANIA

Carcani, Marko, Thomai at Fier Party Plenum (ATA, 20 Feb 86).....	70
Women's Union Council Plenum Convened (ATA, 25 Feb 86).....	72
Youth Union Plenum Convened (ATA, 19 Feb 86).....	73
Youth Paper on Influence of 'Decadent' Music (Arben Sinoimeri; ZERI I RINISE, 5 Feb 86).....	74
Well-Known Writer Criticizes School Texts (Ismail Kadare; ZERI I POPULLIT, 9 Feb 86).....	77
Briefs	
Malile Receives Belgian Envoy	80
Alia Greeted Guyanan President	80

### CZECHOSLOVAKIA

Palestinian Official Denounces Amman Accord (PRAVDA, 15 Feb 85).....	81
Conference Discusses Development of Air Force Preparedness (Prague Television Service, 22 Feb 86).....	82
Lucan Addresses World Conference on Broadcasting in Prague (Prague Domestic Service, 18 Feb 86).....	83
Briefs	
Police Academy Department Moved	84
Husak Receives Brazilian Delegation	84
Colotka Installs Bratislava Mayor	84
Sentencing for Attempted Escape	85

## GERMAN DEMOCRATIC REPUBLIC

Refugee Funnelling to Denmark Reported Diminishing (Anders Wiig; BERLINGSKE TIDENDE, 7 Feb 86).....	86
--	----

FRG Editor Assesses Cultural Agreement, Disagreement (Peter Jochen Winters; FRANKFURTER ALLGEMEINE, 8 Feb 86)...	88
---	----

## POLAND

PZPR Provincial Committees Hold Plenums (TRYBUNA LUDU, 28 Jan 86).....	91
---	----

Kielce Plenum, by Tadeusz Wiacek	91
Opole Plenum, Edward Filipczyk	92
Wloclawek Plenum, by Marek Badtke	93
Przemysl Plenum, by Jan Miszczak	94

PZPR Provincial Committees Hold Plenums (TRYBUNA LUDU, 24 Jan 86).....	95
---	----

Ciechanow Plenum, by Tadeusz Woicki	95
Sieradz Plenum	96
Torun Plenum, by Marek Badtke	96
Piotrkow Trybunalski Plenum, by Paulin Plominski	97

### Briefs

Gomulka's Widow Honored	99
Defense Ministry Social Science Group	99
PZPR Agitprop Journal Celebrated	99
Maritime Industries Policy Meeting	100
Engineering, S&T Meeting	100
Katowice Journalists Meet	100
Foreign Affairs Conference	100
PZPR Draft Program Talks	101
PZPR Ideological Conference in Pila	101
TV Journalists, Siwak Meet	101
Soviet-Polish Border Area Cooperation	101
Party Librarians Meet	101
Polish-Bulgarian Talks	102
Supreme Court Party Activities	102
Bloc Journalists Visit Olsztyn	102

## ROMANIA

Delegation of Brazilian Parliamentarians (AGERPRES, various dates).....	103
--	-----

Parliamentarians Arrive, Meet Giosan	103
Radulescu, Vaduva Meet Parliamentarians	103
Parliamentarians Conclude Visit	104

SCINTEIA Report on Gorbachev L'HUMANITE Interview (SCINTEIA, 11 Feb 86).....	106
---	-----

#### Briefs

Dascalescu Message to Iranian Premier	107
Fencing Coach Defects	107
Europarlament MP Denies 'Double-Agent' Charge	107

#### YUGOSLAVIA

Writer Accused of Chauvinism Answers Critics (Branan Crncevic Interview; NOVE OMLADINSKE NOVINE, 10 Nov 85).....	108
--	-----

AGRICULTURE

YUGOSLAVIA

MONTENEGRIN AGRICULTURAL PLANS TO 1991

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 7-9 Dec 85 p 3

[Article by Rade Grujic: "More Food and Jobs"]

[Text] With the implementation of the project for the regional development of agriculture, by 1990 Montenegro would meet its own needs for meat and milk to a very high degree, and the production of early fruits and vegetables would be increased. The employment of members of the families of private producers would increase by about 25 percent, and 800 jobs would be created in the socialized sector.

The beginning of next year should mean a great turning point for agriculture and the agroindustrial complex in Montenegro -- investment worth \$100 million. This has to do with the Regional Project for the Development of the Republic's Agriculture and Agroindustrial Complex, which is to be financed with funds from the International Bank for Reconstruction and Development and funds from foreign commercial banks.

The idea for this project was initiated as early as 1981, when the Economic Bureau, an OOUR [basic organization of associated labor] of the Institute for Marketing and Economic Research in Belgrade, began "taking down" the possible investors and the desires cited by the initiator of the project, the republic of Montenegro. After a preinvestment analysis, the FAO in Rome, i.e. its Center for Investments, joined in the project. In the summer of 1982, a report on the justifiability of this project was sent to the International Bank for Reconstruction and Development, where the project met with support, and the value of the loan was estimated at \$100 million.

The current situation is such that the loan is to go into effect at the beginning of next year, and in Montenegro a survey is under way, conducted by the Agro-economic Institute of the "13 July" Combine, in regard to the concrete desires of the private producers and their ability to participate in the project. This is because the basis of this project will be the development of the private sector, where during the next few years 600 mini sheep farms with capacities of 50, 80, and 120 head, in addition to 600 mini cattle farms with capacities of 5 and 10 head, are to be completed, 1,200 pregnant heifers are to be purchased, 2,000 hectares of natural meadows and 560 hectares of

unexploited meadows are to be reclaimed, and the production of 600 hectares of silage corn and 280 hectares of artificial meadows is to be established.

In addition to this main part, which in the broadest sense covers the production of meat and milk, by 1990 the project should also achieve the construction of 20 mini fish ponds with capacities of 1,000 square meters and 33 hay farms with capacities of 450 meters, the establishment of a total of 120 hectares of fruit orchards (apples, pears, raspberries, and currants) for 180 private farmers, and also the revitalization of about 60 hectares of olives in the private sector.

The total result of these additional investments in primary production and greater processing of the raw materials would be 8,200 tons of meat on the hoof, 2.9 million liters of milk, and the processing of 0.6 million liters of milk into cheese and 3,600 tons of fruits into semifinished products.

In addition to this, the completion of the project, at full production, should ensure an additional 2,000 tons of meat, 14 million liters of milk, 900 tons of fish, 250 tons of fresh early vegetables, and 5,700 tons of fruit. About 2,400 private farmers would benefit directly from the project, and the employment of family members would increase by about 25 percent. The additional employment in the socialized sector would amount to about 800 permanent jobs.

For now, we know that next year should see the completion of part of the agrocomplex that covers the construction of a cheese factory for high-quality cheese in the area of the Plan opstina, the renovation of a dairy farm in Ivangrad, a slaughterhouse in Bijelo Polje, and a facility for medicinal plants in Risno. The project is planned in such a way that its completion will depend upon the current business conditions, so that if a certain component is not currently economically justified, work will begin on suitable alternatives in accordance with the balance of raw materials available. Since livestock breeding is the heart of the project, it is important to state that the introduction of the intermediate components -- artificial meadows and silage corn -- will cover 70-80 percent of the fodder requirements. So far, the fodder factory in Spuz, for instance, has worked mainly with raw materials purchased in other republics.

The economic justification of this investment, which is not such a small one, is the elimination of the shortage of meat and milk in this republic, and the development of those components of agriculture and the agroindustrial complex in which this republic has comparative advantages. Certain facilities will also be oriented toward exports -- they will export the surplus of slaughtered lambs, high-quality cheese, and medicinal plants, in which the U.S. market is particularly interested. The greatest benefit from the project, however, will be a reduction in the increasingly greater migration from the village to the city, and the possibility of additional employment for family members on private farms, as well as new jobs in the socialized sector.

9909

CSO: 2800/106



ECONOMY

INTERNATIONAL AFFAIRS

EXTERNAL FACTORS IN CEMA ECONOMIC DEVELOPMENT VIEWED

Prague ZAHRANICNI OBCHOD in Czech No 12, 1985 pp 8-11

[Article by Ondrej Ler and Ludek Urban: "External Factors in the Economic Development of the European CEMA Countries"]

[Text] The economic development of the European group of CEMA countries during the 1980's was accomplished under the strong influence of external factors. The experiences of the previous decade, mainly those of its second half, showed, among others, that the depth and duration of structural changes in the economy of the world cannot be underestimated. The economic strategy of the CEMA countries for the period 1981-1985 was consequently also based on the assumption that the influence of adverse external economic conditions, which had played a role in slowing down economic growth and in diverting it from planned intentions at the end of the 1970's, would continue through the first half of the 1980's.

Altered External Conditions and Their Effects

Among the external factors which had had an adverse influence upon the course of economic processes in the European countries of CEMA it is necessary to differentiate between two groups: The first originated in the previous time frame; the second did not show up until the 1980's. In the first case, this is primarily a matter of exchange transactions between six of the smaller countries (Bulgaria, Czechoslovakia, Hungary, GDR, Poland, and Romania), which then deteriorated further at the dividing line between the 1970's and 1980's under the influence of a new round of price increases applicable to energy inputs on the world market. This gave rise to far greater requirements for export outputs by these countries. On the other hand, the situation pertaining to the Soviet Union was substantially different because that country is among the leading world exporters of petroleum and natural gas.

During the first years of this decade the pressure exerted by the external economic environment increased contrary to original expectations and a number of new factors emerged. The extraordinarily long economic crisis of the capitalist world (1980-1983) rendered sales in world markets more difficult, revived protectionist tendencies, and, at the same time, revealed the relatively low adaptability of many of the socialist national economies. A sizable limitation of commercial, scientific-technical, and credit relationships between

the East and the West, as a component of reprisal measures taken by a number of imperialist states in response to events in Afghanistan and in Poland, placed the task of achieving technical-economic independence from developed capitalist nations in strategically important sectors and branches of the national economy in a short time on the agenda of the day. The rise in interest rates on the world credit market increased the cost of debt services for the socialist countries. In an exacerbated international situation the task of lowering foreign indebtedness with respect to Western banks and governments thus became one of the main priorities of economic policy for a number of socialist countries.

Both from the standpoint of overall results of economic development for European countries of CEMA, as well as from the standpoint of the intensity of the effect of adverse external factors, we can differentiate between two stages in the 1980's: the period 1981-1982 and the period 1983-1984. The effects of adverse circumstances, not only external but also internal, were felt in a most concentrated manner during the first 2 years of the current 5-year plan. It was precisely during this period that the countries of the socialist community of states felt the greatest impact of the world economic crisis connected with many protectionist measures. During this time, they also had to deal with a further rise in prices of imported energy raw materials and with the increased outflow of material assets to foreign countries. During the subsequent period (1983-1984) the economic situation in the European countries of CEMA gradually improved, in no small measure also against the overall background of more favorable developments in world economics, even though the negative effects of many external factors persist.

A more detailed analysis of the progress made by European CEMA countries would show that their reaction to the influence of adverse external conditions was in conformity in the majority of cases. This was primarily a matter of the following decisions:

- 1) foreign trade must grow more rapidly than production under more difficult conditions;
- 2) the rate of exports must outstrip the rate of imports so as to thus gain a commercial and payments surplus which would facilitate the lowering of indebtedness in freely convertible currencies;
- 3) the share of intraregional trade must be strengthened;
- 4) the group of six smaller countries would have to lower their commercial deficit with respect to the USSR.

A graphic depiction on how this group of six smaller countries and primarily the USSR dealt with the changes in conditions which were brought about by external economic relations at the beginning of the 1980's is presented in Table 1, which captures the data on development of their trade balances for the years 1980-1984.



Table 1. Development of the Foreign Trade Balance of the European CEMA Countries for the Years 1980-1984

Foreign Trade Balance	Year	Six Smaller Countries, Total*	USSR	European CEMA Countries, Total
Total (billions of dollars)	1980	-5.8	8.0	2.2
	1981	-2.6	6.2	3.6
	1982	4.4	9.3	13.7
	1983	6.0	11.2	17.1
	1984**	6.4	12.7	19.1
Involving developed capitalist nations (billions of dollars)	1980	-3.8	0.2	-3.6
	1981	-2.9	-1.2	-4.1
	1982	1.3	-0.1	1.2
	1983	3.2	1.3	4.5
	1984**	4.7	4.3	9.0
Involving developing countries (billions of dollars)	1980	-0.4	2.7	2.3
	1981	3.4	1.2	4.6
	1982	3.9	4.8	8.7
	1983	3.0	4.5	7.5
	1984**	2.4	3.3	5.8
Involving the USSR (billions of rubles)	1980	-1.3	--	--
	1981	-2.3	--	--
	1982	-1.1	--	--
	1983	-0.4	--	--
	1984**	-1.0	--	--

\* Bulgaria, Czechoslovakia, Hungary, GDR, Poland, Romania.

\*\* Preliminary estimate of the UN Economic Commission for Europe.

Source: "Economic Survey of Europe in 1984-1985," ECE, Geneva, 1985.

In comparison with the 1970's, the overall rate of foreign trade turnover for the European countries of CEMA changed considerably, although their economic policy in the foreign economic sphere attained noteworthy results. During a period in which world economics was dominated by stagnation and by a decline in international commerce, the six smaller CEMA countries constantly recorded commercial surpluses with respect to relations with nonsocialist countries, beginning in 1982.

The foreign trade turnover of the six smaller European CEMA countries rose roughly 2.8 percent between 1981 and 1984, including a rise in exports as a result of the selected strategy by about 10.3 percent and imports declined roughly by 4 percent. In constant prices, exports rose by roughly 27.5 percent, whereas imports declined by 2.5 percent. The foreign trade turnover of the Soviet Union for the same period rose by roughly 17.5 percent, including exports which rose by 20 percent and imports which rose by 15.3 percent. In constant prices, the increment in Soviet exports only accounted for not quite 14 percent and imports were virtually 26 percent.

In 1984, there thus developed a surplus in the cumulative balance of foreign trade for the European CEMA countries of a magnitude of roughly \$19 billion, of which roughly \$6.4 billion fell to the group of the six smaller countries. What is noteworthy is the fact that the entire increment of the surplus last year was again attained (in contrast to 1982) exclusively in trade involving developed capitalist nations. The active foreign trade balance in this category virtually doubled over 1983 to roughly \$9 billion, of which approximately one-half is accounted for by the group of smaller countries. The trade surplus involving developing countries declined further during 1984 as a result of their payments difficulties. The six smaller CEMA countries attained the above surplus despite the deterioration of exchange transactions in trade involving freely convertible currencies. However, their trade deficit with respect to the USSR increased slightly again after declining for 1982 and 1983.

This important turnaround in the development of external economic relations made it possible for the six smaller European CEMA countries to lower their indebtedness in terms of freely convertible currencies, beginning in 1982. In 1984, it is estimated that their net indebtedness declined by an additional \$6 billion.

Although a certain rise in commercial turnover involving capitalist nations was recorded in the last 2 years, the changing conditions in the world economy led to further shifts in territorial intentions in the foreign trade of CEMA countries; the share of intraregional trade within all of CEMA rose virtually to 60 percent.

It is certain that an orientation toward renewal of external balances by the six smaller European CEMA countries yielded positive results during the course of the current 5-year plans. However, it simultaneously confirms the fact that at the beginning of the 1980's the development of external economic factors had an extraordinarily strong influence, and in some cases a decisive influence, on the economic activities of these countries. Without regard to its essential nature, this orientation seriously influenced the course of internal economic processes and starting conditions for the second half of the 1980's. The transfer of resources to foreign countries meant lower increments in consumed national income, caused limitation of investments for development, and resulted in more modest increases in consumption.

A natural result of the situation during which the majority of the European CEMA countries were forced to constantly attain a trade surplus at the beginning of the 1980's in order to, thus, compensate for the effects of the unfavorable developments in exchange transactions and particularly in order to be able to lower the burden of foreign debt was the fact that the volume of consumed national income grew at a much slower rate than produced national income, the rate of which, furthermore, was falling behind the level of original intentions (see Table 2).

As is evident from Table 2, consumed national income for the period 1981-1983 increased only for Bulgaria and for the USSR. Of course, even in Bulgaria domestic consumption grew at a slower rate starting in 1982 than did the gross domestic product and more rapidly than consumed national income for the entire

period 1981-1983 and, clearly, even last year. In the other countries for which we have data (Romania does not publish annual data on consumed national income), consumed national income for the years 1981-1983 declined on the whole.

Table 2. Development of Produced and Consumed National Income, Consumption, and Net Capital Formation in the European Countries of CEMA\* During the Period 1981-1984 (Annual Changes Given in Percent)

Country	Indicator	1981	1982	1983	1984
Bulgaria	Produced NI	5.0	4.2	3.0	4.6
	Consumed NI	7.7	1.9	1.2	...
	S	5.3	3.7	2.9	...
	A	14.8	-3.3	-3.6	...
Czechoslovakia**	Produced NI	-0.1 (0.8)	0.2 (0.6)	2.3 (2.7)	3.0 (3.2)
	Consumed NI	-3.4	-1.6	0.7	...
	S	2.6	-1.1	2.7	2.3**
	A	-21.7	-3.6	-7.2	...
Hungary	Produced NI	2.5	2.6	0.3	2.8-3.0
	Consumed NI	0.7	-1.1	-2.7	0
	S	3.0	1.4	0.6	...
	A	-8.6	-12.4	-20.4	-8-9
GDR	Produced NI	4.8	2.6	4.4	5.5
	Consumed NI	1.1	-3.2	0.4	...
	S	2.7	1.3	0.9	...
	A	-3.3	-20.1	-1.9	...
Poland	Produced NI	-12.0	-5.5	6.0	5.1
	Consumed NI	-10.5	-10.5	5.4	5.0
	S	-4.6	-11.5	5.6	...
	A	-27.6	-6.6	4.9	...
USSR	Produced NI	3.3	3.9	4.2	3.0***
	Consumed NI	3.2	3.6	3.6	2.6
	S	4.0	1.2	2.9	...
	A	0.9	11.0	5.8	...

NI--national income; S--consumption; A--net capital formation.

\* Not counting Romania, which does not publish this type of data.

\*\* Gross national product in parentheses.

\*\*\* Estimate by the UN Economic Commission for Europe.

Source: "Statisticheskoy yezhegodnik stran-chlenov SEV 1984," Finansy i statistika, Moscow, 1984; "Economic Survey of Europe in 1984-1985," ECE, Geneva, 1985.

This development did not remain without influence upon the share of capital formation and consumption in consumed national income, without influencing the overall structure of domestic consumption. With the efforts of economic policy to maintain the extent of consumption in a situation during which the increments in disposable resources were lowered, the results were that the share

of consumption (personal and social) in consumed national income was increased whereas the capital accumulation component was considerably lowered. In fact, we can state that accumulation became more of a residual factor which remained after the losses caused by developments of exchange transactions were compensated for and after the need to lower the foreign debt and the need to maintain or raise the achieved level of personal and social consumption were satisfied. Consequently, as Table 2 confirms, the rate of accumulation for the period 1981-1983 declined whereas the share of consumption in consumed national income rose. Only the USSR did not once record a decline in accumulation during the years under investigation and its overall rate increased. The result of this development in the investment sphere was that, with the exception of Poland, the share of investments in the national income [declined] and, in the majority of cases, this share dropped below the levels anticipated by the 5-year plan.

#### Positive Turnaround in the Last 2 Years

As was already stated, the rate of growth of national income for the European countries of CEMA underwent a certain positive turn during the last 2 years. The national income in the region increased by 4.1 percent in 1983 and by 3.6 percent last year which, in comparison with 1981-1982, represents an express acceleration of its growth. Formerly, it might be correct to date the above turnaround from 1982 when the cumulative increment in the national income rose by 2.8 percent in comparison with the low results of 1.7 percent during the previous year; however, one cannot ignore the fact that the accelerated growth in 1982 was based almost exclusively on developments in the USSR and was, furthermore, dictated by a specific increase in agricultural production (by 5.5 percent, compared with the decline of 1 percent during the previous year). The national income of the six smaller countries of CEMA during 1982 stagnated and, if we exclude Poland, grew by less than it did in 1981 (by somewhat more than 2 percent compared to not quite 3 percent); the rate of growth of industrial production in the USSR, however, declined again. The express acceleration in economic growth during the following year, however, was already supported by an increase in the increment in production growth, both within the group of six smaller countries, as well as in the USSR.

According to the annual plans, national income in the region this year should be experiencing a growth of about 4.2 percent. On this basis, it is possible to judge that the European countries of CEMA are currently striving to maintain the rate of economic development at the attained levels. This is also confirmed by fragmentary information regarding the prepared 5-year plans for the period 1986 through 1990.

As far as development in the individual countries is concerned, Bulgaria, which maintained its economic growth rate at a relatively high level during the entire period of the 1980's, last year recorded an increase in national income of 4.6 percent, compared to 3 percent in 1983; this year's increase is expected to be 4.1 percent according to the plan. In Czechoslovakia last year the national income rose by 3 percent, compared to 2.3 percent in 1983, and is expected to increase by 3 percent this year. Hungary, which like Czechoslovakia had planned a relatively low growth rate for the period 1981 through 1985



and last year also recorded a substantial increase in national income (2.8-3 percent as opposed to 0.3 percent), plans an increase this year of 2.3-2.8 percent. The GDR, like Bulgaria, achieved relatively high rates of growth in national income during the first half of the 1980's (last year, 5.5 percent as opposed to 4.4 percent) and this year is looking for an increase of 4.4 percent.

In view of the past socioeconomic crisis, the case of Poland is completely specific. If we ignore the deep economic decline from the 1979-1982 period, then it must be said that this country again recorded a high growth in national income last year (5.1 percent as opposed to 6 percent), with the plan for this year looking for 3 to 3.5 percent. This indicates that Poland is gradually returning to normal development, even though we cannot overlook the fact that the national income for last year was merely approaching the level achieved in 1975 and that payments conditions involving foreign countries still constitute a great problem despite the agreement involving the so-called Club of Paris.

As far as Romania is concerned, its economic growth last year also speeded up (7.7 percent as opposed to 3.7 percent) and, according to the plan, this process should continue this year (+10 percent). During the first half of the 1980's, the USSR was among the European CEMA countries which were undergoing the most stable development. Its consumed national income for last year, however, grew only by 2.6 percent as opposed to 3.6 percent during 1983, which was the result of the failure of the harvest; this year, an increase of 3.5 percent is anticipated.

Changes in the rate of industrial production over the past few years have been largely in conformance with developments affecting the rate of national income. Following small increases for the period 1981-1982 (2.2 and 2.4 percent), the rate of growth in industrial production virtually doubled during the following 2 years with a 1984 cumulative increment being 4.4 percent, which exceeded the plan and the results achieved in 1983 (4.3 percent) and was the highest since 1978. This year, it is anticipated that the cumulative increment will be 4.1 percent, which again indicates that the effort is currently aimed at maintaining a higher growth rate.

Gross industrial production in the individual European countries of CEMA last year grew as follows: Bulgaria +4.6 percent, Czechoslovakia +3.9 percent, Hungary +3 percent, GDR (market production) +4.2 percent, Poland +5.3 percent, Romania (market production) +6.7 percent, USSR +4.2 percent. With the exception of Poland, where the increment was lower, and the USSR, where it remained the same, all countries recorded a growth rate in industrial production which was higher in comparison to 1983 and, in a number of cases (Czechoslovakia, Hungary, GDR, Poland, USSR) even exceeded planned levels. Only Bulgaria (+5.2 percent) and Romania (+7.5 percent) are anticipating a growth in industrial production for this year.

The increment in gross agricultural production for the six smaller countries of CEMA last year was more than three times higher than was evident from annual plans (6.9 percent as opposed to 2.2 percent) and very specifically exceeded the levels of the previous year (0.8 percent) and those achieved in

1981-1982 (on average by about 1.7 percent). In Bulgaria, gross agricultural production rose by 6.8 percent (as opposed to -7.2 percent in 1983); in Czechoslovakia by 3.6 percent (4.2 percent); in Hungary by 2.5-2 percent (-2.7 percent); in the GDR by 8.5 percent (4.1 percent); in Poland by 5.7 percent (3.3 percent); and in Romania by 13.3 percent (-1.6 percent). In view of these high results substantially lower goals were set for this year.

Gross agricultural production in the USSR was declining in the period 1979-1981; in the following 2 years it recorded high increments (5.5 and 6.7 percent) and last year it stagnated despite the fact that the plan called for a growth of 6.4 percent. For this year, it is expected to increase by 6.7 percent. In the case of the USSR, agriculture exerts a very significant influence upon the resulting rate of economic growth (its share in the national income in 1983 was more than 20 percent). This was confirmed also last year when the stagnation in agriculture resulted in lowering the increment in the national income and, thus, halted the acceleration which had begun in 1983.

In the majority of the European countries of CEMA the main factor determining agricultural results is the harvest of grain. This harvest was outstanding and higher than that of 1983 last year in all cases except the USSR. Bulgaria harvested 9.3 million tons, Czechoslovakia 12 million tons, Hungary 15.7 million tons, the GDR 11.5 million tons, Poland 24.4 million tons, and Romania 23.6 million tons. Overall, the production of grain in the six smaller European CEMA countries thus, for the first time, approached 100 million tons, which is only a little less than the quantities called for by the 5-year plan for 1985 and it is 25 percent more than the average for the second half of the 1970's. According to estimates provided by the Food and Agricultural Organization of the United Nations, last year's grain harvest in the USSR amounted to 170 million tons, which is 30 million tons less than the year before.

As far as productivity is concerned, available direct and indirect data indicate that last year it continued to grow at a rate close to the rate shown by the national income, or even at a higher rate, as was the case in Hungary. In Bulgaria, the entire increment in national income was assured by an increase in the productivity of labor; employment in the production sphere in Czechoslovakia increased by 0.5 percent, productivity in Hungary rose by more than 3.5 percent, in the GDR it increased by 5 percent, and in the USSR the growth in productivity accounted for 94 percent of the increment in the national income.

According to a number of indications, the effectiveness of basic production assets continued to decline in the majority of cases, even though the rate of decline was obviously somewhat slower as a result of the slowdown in the growth of capital assets.

During 1980 to 1982, the economic growth of the European countries of CEMA was limited, among others, by a shortage of selected material inputs. The subsequent increase in production on the part of the responsible branches and imports contributed to the elimination of appropriate bottlenecks. However, preliminary evaluations of the development of the overall material-intensive nature of production in the European countries of CEMA on the basis of comparisons between gross social product and national income do not indicate that

some kind of specific improvement had set in in this direction over the past few years. The level of the material-intensive nature of production in the majority of the European countries of CEMA, thus, remains very high in comparison with current technological standards and is roughly 40 percent higher than that recorded by developed capitalist nations.

As has already been stated, the need to create growing trade surpluses led to a decline or a slower rate of growth for consumed national income during 1981-1983 in comparison with produced national income. This, together with an economic policy which stressed consumption over accumulation, had a great influence on investments. On balance, it can be stated that the development of investments in 1981-1984 roughly followed the rate of economic growth. Low increments or actual absolute declines in 1981-1982 were replaced in the subsequent period by a certain increase in the rate of capital construction. With considerable differences between individual countries, the cumulative increase in investments for 1984 was 2.4 percent as opposed to 4.7 percent during the previous year and was not quite an average of 1 percent during 1981-1982. In Czechoslovakia and in Romania, the increment in investments for last year was higher (1.5 percent or 6.1 percent, as opposed to 0.6 percent and 2.5 percent, respectively). In Bulgaria, investments stagnated (compared to an increment of 0.7 percent in 1983); in Hungary, the long-term absolute decline continued; in the GDR, investments also stagnated, as they had done in 1983; in Poland, the very high increase in investments of 1983 (9.4 percent) declined to 8 percent; and in the USSR, the increase in investments declined to 2 percent as opposed to 5.8 percent in 1983. This year, all countries, except the GDR and Poland, anticipate an increase in the growth rate for investments.

Real income for the population, which is the most common indicator of the development of the standard of living, increased in 1981-1984 in all European countries of CEMA. In comparison with the previous 5-year period, however, increases attained were lower. However, such a development had been built into the 5-year plans covering the period 1981 through 1985. Last year, substantial increases in real income occurred in the GDR (+4 percent), USSR (+3 percent), Bulgaria (+2.7 percent), and, according to estimates, also in Romania. In the other countries, real income growth was more moderate and roughly at the level of the previous year. Targets for 1984, however, were fulfilled in all countries.

#### Key Task of Socialist Economic Integration

The real economic processes under way in the European countries of CEMA and the developments in international policies and the economic situation in the world are very clearly reflected in the process of socialist economic integration. The achieved level of production forces and the degree of mutual cooperation among CEMA member countries, the specific changes in internal and external economic conditions and factors influencing their development, new attempts by some of the most powerful capitalist nations to gain superiority over socialist countries and a number of unsolved questions carried over from the previous era demanded the formulation of a clear path for the further development of socialist economic integration during the current and ensuing periods. This task was fulfilled by the economic consultation of CEMA nations



at the highest level [CEMA summit] which took place last June in Moscow. If the conclusions of this summit can be summarized into two fundamental tasks, then they are the strengthening of mutual unity among CEMA member countries and the close interconnection between the production-technical base and scientific-technical progress and capital construction.

Currently, the coordination of national economic plans for the years 1986-1990 is being concluded and the directives of last year's economic summit aimed at coordinating economic policy are being fulfilled within the framework of this coordination as well as through the medium of additional negotiations and actions. This multilateral coordination is connected with bilateral coordination. Bilateral programs of development with respect to economic and scientific-technical cooperation through the year 2000 have already been signed between the USSR and the majority of the other CEMA member countries and a number of similar programs have been concluded between the smaller CEMA countries. In this respect, great attention is being devoted particularly to the introduction and expansion of production of modern machines and installations and to increasing the technical level and quality of mutually delivered products. In the final phase of coordination involving the national economic plans for the period 1986-1990, additional possibilities are being sought for developing economic cooperation, primarily in the form of international specialization and coproduction, possibilities for increasing mutual turnover of goods, for the more thorough utilization of existing production capacities, and mutual pledges are being recorded which have to do with improving the technical level and quality of particularly important types of mutually delivered products.

A substantial part of the work connected with preparing the Comprehensive Program of Scientific-Technical Progress in CEMA Member Countries for the Next 15 to 20 Years, which is supposed to be approved at the 12th Session of the CEMA Council in 1986 in Bucharest, has already been completed.

It is indicative that mutual trade between CEMA member nations is recently developing more rapidly than their overall volume of foreign trade. Whereas foreign trade turnover of the CEMA countries in 1984 exceeded 313 billion transferable rubles, which was 9.7 percent more than during the previous year, mutual trade rose by 10 percent to 185 million transferable rubles and its share in the overall turnover achieved 59.2 percent, as opposed to 58.7 percent in 1983 and 53.8 percent in 1980. Deliveries of machines and installations involved in this mutual trade increased by 12 percent.

From the essence of CEMA, it is clear that member states with more developed economies render aid to less economically developed nations and provide support in developing the principal national economic sectors and take care of their deeper commitment to the international socialist division of labor. The most recent CEMA session in Warsaw indicates that permanent attention needs to be paid to deepening and perfecting cooperation between the European member nations and Vietnam, Cuba, and Mongolia.

Cooperation between CEMA member nations and Yugoslavia is developing well in 23 specific areas of activities of the council. The best results are being achieved in engineering. Trade between both sides last year rose by 12.7

percent to 9.6 billion transferable rubles, with CEMA member countries sharing approximately 43 percent in Yugoslavia's foreign trade turnover.

Recently, cooperation with a whole series of other nations has deepened. A treaty was concluded between CEMA and the Mozambique People's Republic. One of the important results of the 11th Session of the CEMA Council is the expressed intention to expand industrial cooperation with developing countries in the production of finished products with a view toward the interests and possibilities at the disposal of the involved sides. Not even the new initiative by the socialist countries pertaining to the initiation of relationships between CEMA and the European Economic Community can be overlooked.

Real development clearly indicates that the transition of the European countries of CEMA to the path of intensive economic development under difficult and frequently very unfavorable external economic conditions, which are, furthermore, accompanied by the tense international situation as a result of the confrontational course adopted primarily by some political circles in the United States, is, to a considerable extent, dependent on the successful development of the process of socialist economic integration and on the further strengthening of the unity and mutual closeness between the CEMA nations. It is, therefore, only possible to welcome the increased efforts on the part of the socialist states and organs of CEMA which are aimed in this direction and which are quite clearly reflected in the entire period since the CEMA economic summit which took place in June of last year in Moscow.

5911

CSO: 2400/170

ECONOMY

INTERNATIONAL AFFAIRS

EAST-WEST TRADE DEALS

Warsaw POLITYKA in Polish No 2, 11 Jan 86 p 14, supplement POLITYKA EKSPORT IMPORT No 1, Jan 86

[Article: "East-West"]

[Text] HUNGARY-NIGERIA: On the basis of an agreement reached by representatives of the Hungarian commerce headquarters, Komplex, Hungarian enterprises will participate in building grain mills in Nigeria; construction will begin shortly. Elgep, the Hungarian machine company, will be the principal contractor and local Nigerian enterprises will cooperate in the project. The elevator and mills with a capacity of 300 tons daily are scheduled for completion by the end of 1986; after reaching full production capacity, they will operate on a "joint venture" basis with 20 percent Hungarian participation.

HUNGARY-WEST GERMANY: The Hungarian, Hungarcoop, signed a cooperative agreement with the West German firm, Salamander, for the production of 700,000 pairs of high quality men's boots during the second half of 1985. Salamander will provide some of the production equipment.

ITALY-USSR: Snamprogetti, an affiliate of the Italian concern, ENI, will construct a pipeline system for the transport of coal from mines in Belev to Novosibirsk. The system developed by the Italian firm is one of the most advanced systems for transport of coal through a pipeline. The Italians will sell a license for the technology and supply the basic equipment. The value of the contract is approximately 100 billion lira.

HUNGARY-EGYPT: A cooperative agreement was signed in Budapest that provides for the Hungarian Ganz Mavag plants and the Egyptian Tersana Steel Structures firms to begin manufacturing small and medium sized irrigation pumps jointly beginning next year. Some of the components will be produced in Hungary and then assembled in Egypt. Parts manufactured in Egypt according to Hungarian designs will make it possible to assemble complete units. This cooperative agreement was preceded by many years during which Hungarian irrigation equipment was sold and earned a good reputation in the Egyptian market. In 1985 alone, Egyptians ordered 17 intermediate pumping stations worth \$6 million from Hungary.

NORWAY-SOCIALIST COUNTRIES: Kongsberg Vapenfabrikk, Norwegian producer of electronic equipment, established a trade firm, Kongsbergtrade, especially for conducting barter transactions with the USSR and other socialist

countries. Kongsbergtrade plans to open an office in Moscow. During the last several years, Kongsberg was selling the USSR equipment valued at 100 million kroner annually. The Norwegian firm also intends to represent other Norwegian producers interested in selling their products to socialist countries.

**YUGOSLAVIA-NORWAY:** The Uljanik shipyard in Pula, Yugoslavia, launched a ship 210.5 meters long and 48 meters wide, ordered by Norway. The ship is equipped with a 10,840 kW motor, the first of this size produced by this shipyard. This year the Uljanik shipyard built six large marine units intended for export; income from this activity was \$170 million.

**U.S.A.-HUNGARY:** The well-known American magazine, **SCIENTIFIC AMERICAN**, will be published in Hungarian. The magazine will be licensed to be printed in Hungary and every issue will contain an additional insert edited by Hungarian scholars.

**USSR-BURKINA FASO:** Technointorg will supply Burkina Faso with 30 film projectors to be installed in movie theaters. A group of projectionists from Burkina Faso visited Leningrad where they became acquainted with using and servicing the Soviet equipment.

**EAST GERMANY-FINLAND:** Two long-term agreements were signed in Berlin by representatives of the Finnish firm, Kemira, and the German firm, Kali-Berghan. The agreement covered the sale of potassium fertilizers to Finland and processing of potassium salts obtained from East Germany into potassium sulfates in Finland.

**JAPAN-HUNGARY:** One of the departments of the Japanese firm, Mitsubishi, will supply the Hungarian paper mill in Nyiregyhaza with equipment for processing paper. This contract was concluded within the framework of the line of credit accorded Hungary by the World Bank amounting to \$7.5 million.

**GREAT BRITAIN-YUGOSLAVIA:** ICL, The British computer company, will supply the Robna Kuce network of shops in Belgrade computerized cash registers which will make it possible to keep track of merchandise sold. The equipment is valued at more than fl million.

**BRAZIL-CUBA:** At a cost of \$3 million, Cuba bought equipment for alcohol distilling plants from the Brazilian firm, Codistil. This equipment has a production capacity of 60,000 liters of pure alcohol daily. It will be used to produce rum, a basic Cuban export.

**BELGIUM-USSR:** The Belgian steel company, Sidmar, is increasing export of steel to the USSR. Within the framework of a long-term contract, it was agreed that export of sheet steel would be increased from 240,000 to 500,000 tons annually in 1990. The Soviet automotive industry will be the principal recipient of the sheet steel.

2950

CSO: 2600/224

ECONOMY

INTERNATIONAL AFFAIRS

#### CEMA CURRENCIES CONVERTIBILITY NOT LIKELY

Warsaw GOSPODARKA PLANOWA in Polish No 7-8, Jul-Aug 85 pp 418-420

[Article by Marian Guzek: "Possibility of Introducing Currency Convertibility in CEMA Countries"]

[Text] The first question that requires explanation is whether the lack of currency convertibility in CEMA countries thus far is more the result of its being rejected as a negative phenomenon by economic policy or whether this lack is caused by a fear of the consequences, potentially difficult to overcome, that would accompany the introduction of currency convertibility under conditions that did not favor it.

It seems that despite a certain resistance in some countries, the numbers of decided opponents of convertibility is not large either among theoreticians or among practitioners. Moreover, this resistance pertains not to convertibility in itself, but to the market mechanism connected with convertibility. We may assume that absence of convertibility is due mainly to the fact that conditions for its introduction are not ripe and to the anticipated impossibility of effectively overcoming the difficulties it would engender.

This statement may evoke doubts in light of the fact that some underdeveloped countries introduced convertibility of their currency despite conditions poorer than those in socialist countries. This is true, but there is a difference between underdeveloped countries and socialist countries in that the former agree to make their production structure dependent on current signals from the world market even if this means petrification of a single-crop economy, while the socialist countries aspire, regardless of type of economy in place, to formulate the economic structures in a way different from the directions indicated by current signals of the world market, even if these aspirations are not accompanied by modernizing the structure of export in the sense of actually increasing the export proportion of industrial manufactured goods.

These points lead to the conclusion that the possibilities of introducing convertibility in socialist countries depend on whether these countries will give up the aspirations mentioned while the internal economy develops, reconciling themselves to the effects of convertibility, even such effects as are evident in underdeveloped countries, or whether they will be able to



bring to a sufficient maturity conditions that would ensure positive results of convertibility, as has happened in highly developed countries.

To accept the idea that absence of convertibility is not the result of voluntarism, but an objectively based solution under economic conditions that have existed thus far (among which we might also include the government's developmental preferences), the question as to how these conditions would have to be changed in order for convertibility to be introduced becomes important.

From the historical experience of the highly developed countries, it is evident that successful results of convertibility depend on a pro-export structure of branches of industry created before convertibility is introduced. This statement may seem controversial, particularly in connection with the conviction, universal in Poland, that it is specifically currency convertibility that can ensure structural transformation of production and the formation of highly specialized areas of manufacturing. This is actually a proper conviction, but only with respect to the assortment structure of production within the framework of specific branches of industry.

Pro-export branches do not appear, however, as a result of introducing convertibility, but as a result of a long-term development policy of the country together with protective measures. To the extent that typical protective measures (duties, compensatory taxes, subsidies, taxes, etc.) have a selective effect, a particular protective measure has a universal effect, that is, it touches the whole economy and not selected branches; lack of currency convertibility can be recognized as one such measure. Fitting the type of protective measure and the force of effect of a protective measure to long-term structural preferences of the country is a matter of no small importance.

If only a very few branches are going to be strongly protected, when the country already has a firmly established and desired economic network structure, then there is no merit in resorting to maintaining nonconvertible currency since normal, selective protective means will suffice. But if the structure of the whole economy is flawed and the country wants to bring about its transformation, then it can use nonconvertible currency. Examples of this procedure can be found in the history of highly developed capitalist countries. Japan can serve as the most recent example; it introduced convertibility not at the beginning, nor even in the middle of the industrialization process, but only after the formation of a secure pro-export structure of its industrial branches.

Nevertheless, using nonconvertible currency is not enough to attain such effects, as is apparent in our country and in other countries, and that includes nonsocialist countries. I will discuss the reasons for this shortly, but now we must answer the question as to whether the branch structure created in socialist countries thus far is rational enough to not require particular protection in the form of nonconvertible currency or whether it continues to need such protection.

It seems that with respect to most countries, we may admit at the outset that the first of these possibilities fits, with the exception of poorly

developed socialist countries. In a country such as Poland, it is difficult to admit that we have a pro-export network structure in spite of the fact that an adequate number of industrial branches are represented in the economy, and what we are concerned with is only proportional changes among them, which is an easier task than creating new branches of industry from the bottom up. More precisely we should say that this task would be easier if besides the typical selective protective means that correct the flow of commerce, effective additional economic mechanisms resulting from the introduction of convertibility might be applied, specifically a mechanism of rational allocation of investment that would make the level of pro-export reorganizations of the branch structure directly dependent. This pertains to systemic questions which will be discussed below.

The most important questions connected with the transformation of systemic conditions, inevitable from the point of view of convertibility, are the following:

--does the order-distributive model allow introduction of convertibility?

--will a transition to a decentralized system ensure attaining the expected results of convertibility?

Although convertibility has not been introduced in any socialist country whose economy operates according to principles of a centralist model, on theoretical grounds such a measure might be possible in this model if quantitative limits of import and qualitative export tasks were given up and were replaced by limits and tasks established according to value in the aggregate sense. (An indispensable condition would also be the creation of substantial reserves of hard currency. This condition is linked to the state of the balance of payments and might create serious difficulties during less favorable periods. We will bypass this matter as being secondary as against structural and systemic reorganizations.) The efficacy of convertibility would depend then on the reaction of the foreign trade apparatus and the production apparatus to the changing foreign demand resulting from the partners' accumulating Polish currency and from the behavior of Polish producers and importers who could acquire hard currency for imports.

If these reactions would not lead to the formation of specialized export centers in manufacturing to compete on the world market within a framework of branch structures regulated directly by the central authorities, we would have to deal with the fact that the money generated by foreign demand would flow in the direction of raw materials and agricultural products, which would consolidate the traditional export structure and would make it more difficult to realize the structural intents of the central authorities. Thus, getting beneficial effects from convertibility depends on a properly performing mechanism of allocating funds within the branches, including hard currency funds bought by the enterprises. This problem is connected with readiness to undertake the risk of switching the production apparatus to the needs of export. Therefore, if we were not to create additional conditions to ensure attainment of the desired effects from



convertibility, its introduction alone, though theoretically possible, would not serve its purpose.

In the extreme case, after introducing convertibility, the internal market might become stripped of goods subsidized by the state (mainly food products). In order to avoid this, it would be necessary to introduce rigorous export barriers. This would only mean a drop of foreign demand for Polish currency, which would have to be devalued, reinforcing inflation processes. Scarcity of hard currency would make the central authorities resort to re-establishing controls. Thus, there would be a retreat from convertibility, or, in the opposite event, an increase in inflation. Both possibilities at least point to the negligible likelihood of introducing convertible currency (even to a limited extent) in countries that have centralized administrative systems.

Now we must consider the question formulated previously: is it possible to attain the desired effects of convertibility in an economy reformed according to market principles? At the outset we must say that in such a system, the introduction of convertibility in itself is significantly easier and more likely. On the one hand, convertible currency is a logical element of the market mechanism, and on the other, reforms of this type are accompanied by the widespread conviction that, in comparison with the order-distributive model, they ensure such far-reaching transformations of conditions of management that it is realistic to expect complete efficiency of the market system, including the currency market, similar to that in the highly developed capitalist countries.

Unfortunately, this is excessive optimism. Even on theoretical grounds we can state that in a socialist economy, the market mechanism cannot operate as efficiently as in a capitalist economy since adopting the market mechanism does not mean carrying over with it the mechanism of allocation of funds that operates in a capitalist economy. This mechanism is based on private profit, which constitutes the motivation for undertaking a great risk, and stimuli such as dividends are an incentive for saving for the purpose of making investments according to the principles of maximizing profit. The experience of socialist countries with decentralized systems, specifically Yugoslavia, indicates that personnel of enterprises are interested in spending most of current pay on consumer goods, and development funds are not sufficiently fed; this results in investments having to be financed by central authorities from inflation or from external sources (that is, foreign credits). However, even saved or newly created funds are not invested in a manner that would ensure a pro-export industrial structure. This makes it difficult to take advantage of the attributes of convertibility (just as it does, after all, of unemployment, which was introduced in Yugoslavia, but had no real influence on efficiency or productivity of labor).

Real progress in introducing convertibility might be achieved after deeper reforms than have been realized thus far, reforms that would eliminate both the lack of a mechanism of rational allocation of funds and the lack of a system of motivation, especially in investment activity. This, however, does not seem possible in the current decade.

In conclusion, we may therefore say that because of the difficulty in changing the conditions that are decisive in the positive effects of convertibility, there is very little likelihood that currency convertibility will be introduced in CEMA countries. This does not mean, however, that introducing convertibility has ceased to be a task worthy of postulation. The degree of reality of this postulate also depends, after all, on the objective and geographic scope of convertibility. Convertibility limited to certain CEMA countries, and limited to only some of their foreign operations and some of material's authorized for obtaining foreign currency, is more likely. Less likely is complete convertibility not only with respect to currency of capitalist countries, but also with respect to currency of CEMA countries.

The realization of limited currency convertibility would facilitate achieving a pro-export orientation in industrial manufacturing, accumulation of more substantial hard currency reserves, introducing a competent currency course coupled with a system of so-called protective norms as means of realizing the preferred economic structure, and creating incentives for the external partners to invest deposits in Poland.

2950

CSO: 2600/224

ECONOMY

CZECHOSLOVAKIA

ISSUES IN CPSU CONGRESS RUN-UP EXPLAINED

AU301337 Warsaw TRYBUNA LUDU in Polish 27 Jan 86 p 6

[Article by Fyodor Breus, NOVOSTI: "A Look Into the Future"]

[Excerpt] "Competition is being displaced by automatization"--this was the conclusion a certain Western observer arrived at after familiarizing himself with the draft documents which are currently being discussed by the Soviet public and will be discussed at the 27th CPSU Congress which will open in Moscow on 26 February 1986.

Still, I think this startling conclusion is clearly unequivocal if it represents an assessment of the new phase of competition between socialism and capitalism. The USSR does not close its eyes to the results produced in Japan and the United States through the exploitation of scientific and technological achievements and in the advanced industrial countries of Western Europe chasing after them. We are considering their achievements and our own enormous economic and scientific and technological potential in assessing possibilities for the next 5 years and the period leading up to the beginning of the next century.

This view of the future has been given a theoretical and concrete foundation in the form of the new version of the party program and the draft document on the fundamental directions of Soviet economic development until the year 2000.

The fundamental directions of activity are as follows: The country's economic potential is to be doubled over the next 15 years; it is envisaged that industrial output will at least double; the process of introducing industrial methods of operation into agriculture will be completed, and this will result in agriculture being less affected by unfavorable climatic conditions.

The raising of productivity levels to the highest world levels has been made a task. Productivity will have to rise between 2.3 and 2.5 times. The rise in productivity alone will ensure that national income and material production increases. Shifting the economy from an extensive to an intensive pattern will make it possible to satisfy the 75-80 percent increase in the demand for fuels, energy, and raw materials by reducing their consumption in every sector.

During the 1970's many theoretical discussions and practical searches were conducted with the aim of bringing workers into the control and management of production. Sociologists assured us that the scientific and technological revolution, and our "entry into the technotronic age" would not hinder the development of "industrial democracy" but on the contrary would "open up unprecedented opportunities."

It has become apparent since then that the discussion on "democracy in the workplace" that were conducted during the last decade have not gone beyond the narrow confines of auditoria, neither in the United States or the FRG, nor in Great Britain, France, and Italy.

In recent years, the Soviet Union and other socialist countries have been working on ways of accelerating the scientific and technological revolution and in doing so they have conducted experiments aimed at improving the management of the economy and the fuller realization of the advantages of socialism in production democracy. Participants in these experiments have displayed increased interest in the use of such levers as profits, cost effectiveness analyses, pricing, and the creation of enterprise development funds--that is funds for the technical modernization of production--and funds for material and other incentive systems.

All these initiatives provoked an immediate response in the West. "Sovietologists" called these initiatives moves toward "market socialism" and they regarded the development of collectivity in management as "stifling the rights of the individual."

We know that we are not living in an ideal society yet. We know that someone who occupies an active place in life often finds that struggling with bureaucrats and defrauders, or economic activists engaged in crooked practices, costs a lot of nerves. Communists provide an example in the struggle to ensure the triumph of the socialist way of life whose features predominate in society.

In the context of our discussion of the role that the Soviet citizen can play in the running of society and the economy and his opportunities to develop self-management bodies from below, we have a right to declare that in the human rights sphere, beginning with employment, we are well ahead of the West.

This does not mean that everything is perfectly all right and that we are pleased with everything. Let us at least consider the Leninist conception of self-government of which the new draft CPSU program reminds us. It has nothing in common with the anarchosyndicalist version of self-government which is incompatible with socialist statehood and is based on group ownership and deals exclusively with group interests. True self-government, stresses the CPSU, is based on social ownership and unites in itself state, collective, and personal interests.

ECONOMY

CZECHOSLOVAKIA

**CPCZ'S HOFFMANN ATTENDS HUNGARIAN TRADE UNION CONGRESS**

**Heads Czech Trade Union Group**

LD141421 Prague Domestic Service in Czech 1000 GMT 14 Feb 86

[Excerpts] The 25th congress of Hungarian trade unions began in Budapest today.

Taking part in the congress will be the delegation of the Czechoslovak Central Council of Trade Unions led by Karel Hoffmann, member of the CPCZ Central Committee Presidium and chairman of the Central Council of Trade Unions.

**Conveys Greetings to Gaspar**

LD141611 Prague Domestic Service in Czech GMT 14 Feb 86

[Text] Hungary: Karel Hoffmann, member of the CPCZ Central Committee presidium and chairman of the Central Council of Trade Unions, presented a letter of greetings from the Central Council of Trade Unions to the 25th Congress of Hungarian Trade Unions to Sandor Gaspar, member of the MSZMP Central Committee Politburo and chairman of the Hungarian National Trade Union Council. On behalf of Czechoslovak trade unionists the letter conveys cordial greetings to the congress and expresses conviction that the present session will result in another step forward in the building of a developed socialist society in Hungary. The document says that both trade union organizations concentrate their efforts to help in fulfilling the demanding tasks of the economic integration of CEMA countries and to secure the high standard of living of the workers which has been achieved. This is effectively aided by the very good cooperation which we are determined to continue to develop and to deepen cooperation between Czechoslovak and Hungarian trade unions in international activity is also developing successfully. The document emphasizes that we will continue to support efforts to achieve action unity of the European and World Trade union movement aimed at a successful struggle for the life interests and security of workers, for social progress, for socialism.

/12640  
CSO: 2400/201



ECONOMY

CZECHOSLOVAKIA

AUSTRIA-CSSR RELATIONS CALLED 'BEST SINCE WW I'

AU121441 Vienna WIENER ZEITUNG in German 12 Feb 86 p 3

[Text] Between the CSSR and Austria there are at present the "best developed relations" since the establishment of the two republics after World War I -- this was stated on Monday [10 February] by Marak Venuta, CSSR ambassador in Austria, at the opening of a Czechoslovak Week of Culture at the Vienna-Brigittenau adult evening school.

The Bratislava meeting between President Rudolf Kirchschlaeger and CSSR President Gustav Husak on 31 January has again shown the wish of both sides to live as good neighbors, he said, adding that the conclusion of a Czechoslovak-Austrian environmental protection agreement is imminent. Further negotiations on the development of the joint Danube sector would be in the interest of both countries, he said.

According to Venuta, Austria is playing an important part in CSSR foreign trade; with a share of 16 percent of the CSSR entire trade with the West. It is the CSSR's second-biggest Western trade partner. In 1985, imports from Austria went up more than 19 percent, while exports to Austria increased by 6 percent. Thus Austria's deficit in trade with the CSSR declined. Over 90 percent of CSSR imports from Austria consist of finished goods (main partners are the VOEST Apline and the Chemie Linz company), while only one quarter of CSSR goods exported to Austria are finished goods, Venuta declared. He added that economic joint ventures could be expanded, and that cooperation in third markets could be further intensified. In Prague, construction work for the biggest hotel project in the CSSR capital will start shortly with an Austrian construction company being in charge of the project.

Last year as many as between 15 and 17 million tourists visited the CSSR, including 130,000 persons from Austria, while 130,000 CSSR citizens visited Austria, Venuta said. In 1985, about 164,000 visas were issued to Austrian citizens, about as many as in 1984. In general, the issuance of a CSSR visa now takes only 30-50 minutes; 20,000 visas were issued free of charge, mostly for official duty trips, he said.

The cultural and sports exchange between the CSSR and Austria is increasingly flourishing, Ambassador Venuta stressed. In November, "Days of Culture" are to be held in Austria with opera performances, exhibits and so forth, corresponding to the successful Austrian "Days of Culture" that were held in the CSSR in 1983. An agreement between Prague's Charles University and the Vienna University will be concluded in the near future. Youth exchange programs between the two countries are also to be expanded, Venuta declared.

/12640

CSO: 2400/201



ECONOMY

CZECHOSLOVAKIA

RUDE PRAVO NOTES DISSATISFACTION WITH ROBOT PRODUCTION

AU071300

[Editorial Report] Prague RUDE PRAVO in Czech on 6 February on page 4 carries a 1,000-word Vaclav Marek article entitled "What About Robots?" The author says, among other things, that the state goal-oriented program for the development and application of robotics in the past 5-year plan envisaged that in 1985 a total of 3,108 robots would be in operation, of which 1,505 automated technological worksites were to be set up. However, "reality exceeds the original intention." In 1985, there were 4,174 robots and handling devices [manipulatory] and 1,564 technological worksites "realized," with the help of which 2,871 production workers could be "saved," working conditions in many places improved, and backbreaking and monotonous work eliminated.

Thus, as regards numbers, satisfaction prevails. "But, to tell the truth," Marek continues, "there are also a quite a few things we did not succeed in mastering, things with which we still cannot be satisfied. Thus far, for example, robots in enterprises are mostly deployed individually, in partial operations. That cannot be as effective as the robotization of whole sections or whole operations. Group deployment, which is rapidly spreading throughout the world, is still an exception in our country."

This has been caused by the "poor work" on part of project-coordinating quarters, whose duty is to offer the "user" an automated complex. Thus far, however, deliveries of "bare" [hole] robots predominate, for which the user has a lot of trouble getting peripheral equipment. To date, says Marek, "robotization predominates in engineering, while in other branches it asserts itself only slowly." He adds that there is "a fair amount of indiscipline in the development and production of robots," because in the aforementioned, figures special-purpose robots predominate, which organizations manufactured for their own particular needs. The plan for mass production of robots has not been fulfilled.

Prices of robots -- which are "far too high" -- are also under constant discussion. "Although the government adopted some measures to stimulate robotization, in essence these measures have not acquitted themselves well," because the production base has not changed. There are many

manufacturers, but the majority of them produces only piecemeal, despite the fact that the series of robots manufactured elsewhere in the world grow constantly bigger. "Also parts and components, particularly electronic components, from which robots are assembled, are expensive," Marek says.

"The goal-oriented program counted on the construction of specialized enterprises for robot-manufacture. However, out of five projects only one was realized. Thus far, robots are being manufactured in provisional premises originally destined for something else, without technological equipment, with a great labor input. That, understandably, also influences prices."

/12640

CSO: 2400/201

ECONOMY

CZECHOSLOVAKIA

SUGAR PRODUCTION FALLS 14.1 PERCENT SHORT OF PLAN

AU101210 Bratislava PRAVDA in Slovak 7 Feb 86 p 2

[Jane Janku article: "Teamwork Distinguishes a Good Collective: The Difficult Sugar Campaign Accentuated Organizational (In) Competence"]

[Excerpts] Sugar production is a continuous process. If its rhythm is upset by raw material of poor quality or by incorrect managerial or organizational measures, it is difficult, just like in music, to find the right beat again. This image used by Engineer Stefan Minarik, director of production of the Sugar and Sweets Industry concern in Bratislava, explain why, despite virtually identical conditions, individual Slovak sugar refineries achieved disparate results during the past sugar campaign.

The campaign, which lasted more than 100 days, demonstrated once again that it is advisable to speak of the harvest only after it has all been brought in. Let us recall how much optimism was generated by the sight of the sugar beet fields at the beginning of September. Experts predicted that the planned procurement of 2,095,600 metric tons of sugar beets would be not only fulfilled, but overfulfilling. The subsequent 75 days without rain and the severe frost in mid-November caused that the reality began to diverge from the forecasts. The beets not only stopped to grow and gain in weight in the dry soil but, which was even more consequential, they broke when plowed up, which greatly increased harvest losses. The final procurement balance sheet was 1,858,879 metric tons of sugar beets, more than 10 percent short of the plan.

Yet it is not only the quantity of sugar beets that determines the quantity of the produced sugar. Equally important is the beets' sugar content. The beets' sugar content for the economic production unit as a whole averaged 15.6 percent (in the Phronsky Ruskov refinery it was as much as 16.5 percent), which was among the highest results in history. It was, for example, 1.52 percent higher than last year. However, shortcomings in treating and handling the sugar beet stocks -- particularly in the sugar refineries in Trnava, Sladkovicovo, Surany, Dunajska Streda, and Trebisov -- brought about a deterioration of the stocks' condition and a disproportionate difference between the sugar content at the time of procurement and at the time of processing. This had a market impact on

the final production of sugar. Actual production fall 14.1 percent short of the planned sugar production of 232,000 metric tons, with only two sugar refineries -- those in Trencianska Tepla and Nitra -- successfully coping with tuler tasks. This represents substantial deterioration compared with preceding sugar campaigns.

/12640

CSO: 2400/201

ECONOMY

CZECHOSLOVAKIA

BRIEFS

**ALGERIAN MINISTER RECEIVED**--Lubomir Strougal, premier of the federal government, received in Prague today Selim Saadi, minister of heavy industry of the Democratic and Popular Republic of Algeria. During the talks Strougal praised the foreign policy of Algeria and its active participation in solving international questions and problems. Lubomir Strougal also emphasized that relations between both countries are based on traditional friendship and cooperation which has found expression in political, economic, and cultural areas. Both representatives emphasized that it is necessary to make more effective use of these favorable conditions for growth in the exchange of goods, wider production cooperation, and development of cooperation in science and technology. [Text] [Prague Domestic Service in Czech 1730 GMT 12 Dec 85] /12640

**CONSTRUCTION OF TV TRANSMITTERS**--The 15th and 16th transmitters for the second television program are being built in Slovakia by employees of the Telecommunications Administration. The two transmitters, located at Banska Stivanica-Sitno and at Snina, will be put into operation in 1987 and 1988 respectively. The erection of three more basic transmitters will then complete the building of the network of installations for the exception of the second television program. Improving reception in smaller localities will necessitate the construction of so-called booster stations [televizni preyadec ]. The number of such stations will increase by 30 in the Slovak Socialist Republic this year, of which 22 will be for the second television program. The remaining eight booster stations will improve the network for the first program. [CTK report on the "By Teletype, Mail, Telephone..." column] [Text] [Prague RUDE PRAVO in Czech 6 Feb 86 p 2] /12640

**HOFFMANN, KAPEK ATTEND TALKS**--The secretariats of the Central Council of Trade Unions and the Prague City Committee of the CPCZ had a joint session in Prague today. The deliberations were chaired by CPCZ Central Committee Presidium members Karel Hoffmann, chairman of the Central Council of Trade Unions and Antonin Kapek, chief secretary of the Prague City Party Committee. In the introduction, they talked about improving the living, health and social conditions of the working people of Prague, as well as of retired workers and children. They noted that a number of tasks have been secured and that the coming period places increased requirements on the development of the material technological basis of health care, improving working environment and efficient use of the



objects of enterprise trade union recreation. The discussion focussed attention on coordination in developing the appeal of the Prague City party organization and of the Prague enterprises on the occasion of the 17th Congress of the party by linking science with production, modernization, creative effort of collectives for fulfilling the tasks of the Eighth 5-Year Plan, and the initiative of the Central Council of Trade Unions for lowering material expenditure by 0.5 percent, increasing labor productivity by 1 percent and quality of production in comparison with the tasks set by the state plan. [Text] [Prague Domestic Service in Czech 2030 GMT 11 Feb 86] /12640

**SLOVAK SR AGRICULTURAL COMMISSION MEETS**--The Central Commission for Repairs, Supply of Machinery and Spare Parts of the Slovak SR Ministry of Agriculture and Food was in session in Nitra today. Those present discussed the problems of supplier-customer relations between machinery and tractor stations and agricultural enterprises, and especially the care of agricultural machinery and its preparation for the first stage of spring work. The commission noted that over 20 percent of necessary machinery is still to be repaired in Slovakia. The supply of spare parts, however, is better than in previous years; this creates conditions for the successful completion of repair of agricultural machinery for spring work by the end of February. [Text] [Bratislava Domestic Service in Slovak 2030 GMT 10 Feb 86] /12640

**VIETNAMESE MINISTER ARRIVES**--Prague Feb 13 (CTK)--Vietnamese Foreign Trade Minister Le Khac arrived here today on an official visit. Later in the day talks began between the Vietnamese minister and his Czechoslovak colleague Bohumil Urban on ways of intensifying economic cooperation and trade between Vietnam and Czechoslovakia. [Text] [Prague CTK in English 1636 GMT 13 Feb 86] /12640

**SOVIET ENVOY PRESENTS AWARDS**--Viktor Lomakin, the Soviet ambassador to Czechoslovakia, today in Prague presented honorary Soviet awards, shock worker of the Eleventh 5-Year Plan [Udernik Jedenacte Petrocnice], to 66 of the best workers, technicians and research workers from all areas of the national economy of the Czech Socialist Republic. He also praised their constructive efforts in the successful fulfillment of export orders for the Soviet Union last year and in the development of international competition. Viktor Lomakin pointed out that Soviet and Czechoslovak workers will welcome the forthcoming conferences of communists in both countries with better results. He emphasized that all of their efforts are aimed at speeding up the intensification of the national economy, to increasing the quality of production on the basis of rapidly implementing the achievements in science and technology. Vaclav Bezel, deputy chairman of the Central Council of Trade Unions, chairman of the Czech Council of Trade Unions, pointed out the growing importance of international competition in deepening Soviet-Czechoslovak economic cooperation. Present at the ceremony were Jindrich Polednik, secretary of the CPCZ Central Committee, and other representatives from political and public life. [Text] [Prague Domestic Service in Czech and Slovak 1600 GMT 13 Feb 86] /12640

**POLISH TRANSPORT PROTOCOL**--A transport protocol for 1986 between Czechoslovakia and Poland was signed yesterday in Gdynia. It sets out conditions for the volume of Czechoslovak transit through sea ports in Poland and Polish transit across Czechoslovak territory. It is expected that transit of Czechoslovak goods through Polish ports will reach a figure of 2.6 million metric tons, which is 550,000 metric tons more than last year. [Text] [Prague Domestic Service in Czech and Slovak 0100 0100 GMT 14 Feb 86 LD] /12640

**LENART, SALGOVIC VISIT ENTERPRISES**--Jozef Lenart, Presidium member of the CPCZ Central Committee, first secretary of the CPSL Central Committee, and Villiam Salgovic, Presidium member of the CPSL Central Committee, chairman of the Slovak National Council, paid a working visit to the Central Slovak region today. They visited the Slovak National Uprising Enterprise at Ziar Nad Hronom, where they were briefed on the most important tasks in the investment construction of this metallurgical combine--modernizing the production of aluminum. They further viewed the enterprise of secondary metallurgical production and visited a foundry for the production of automobile industry parts. [Text] [Prague Domestic Service in Czech 1530 GMT 14 Feb 86 LD] /12640

**CSSR-SRV TREATY ANNIVERSARY**--A festive meeting was held in the port of Haiphong today to mark the sixth anniversary of the signing of the Treaty of Friendship and Cooperation between Czechoslovakia and Vietnam. It was attended by Doan Duy Thanh, member of the Central Committee of the Communist Party of Vietnam and chief secretary of the Haiphong City Party Committee; Bohuslav Handl, the Czechoslovak ambassador, and other figures. With the assistance of the Czechoslovak trade union movement and to mark the sixth anniversary of the signing of the treaty, construction has begun of the Cultural House of Vietnamese-Czechoslovak Friendship. [Text] [Prague Domestic Service in Czech and Slovak 1800 GMT 14 Feb 86 LD] /12640

**CSSR, VIETNAM SIGN TRADE AGREEMENT**--Prague: A long term agreement for 1986-90 between Czechoslovakia and the Socialist Republic of Vietnam was signed today in Prague. A protocol on the exchange of goods and payments between the two countries for 1986 was signed at the same time. Czechoslovakia will export to Vietnam mainly traditional engineering products such as locomotives, telecommunications equipment, machine tools, trucks, and other products. We will import raw materials, food, and consumer goods from Vietnam. [Text] [Prague International Service in Czech and Slovak 2230 GMT 14 Feb 86] /12640

**ALGERIA, CSSR TO INCREASE COOPERATION**--Prague, 15/02/86 (APS)--Works of the eighth session of the Algero-Czechoslovak committee were sanctioned on Friday in Prague by the signing of a cooperation proceedings between the two countries. [sentence as received] In this regard, a certain number of decisions were defined, aiming at the reinforcement of the

industrial cooperation through the joint achievement of projects examined by the operators of the two countries. On the commercial plan, negotiations are to be carried on to define a many-year programme of exchanges. [Text] [Algiers APS in English 1337 GMT 15 Feb 86] /12640

CZECHOSLOVAK-MONGOLIAN AGREEMENT SIGNED--Ulaanbaatar Feb 19 (CTK)--Foreign Trade Ministers Bohumil Urban of Czechoslovakia and Jamsrangiyn Dulmaa of Mongolia signed here today an agreement on exchange of goods and payments for the 1986-1990 period providing for about a one-third increase in their trade turnover over the previous 5-year period. Czechoslovakia's exports to Mongolia will include mainly diesel sets, equipment for the leather, footwear and clothing industries, equipment for cement plants, medical equipment, and also buses, chemicals, medicines and consumer goods. Mongolia will supply Czechoslovakia with cooper, tin and tungsten concentrates, fluorite, wool, leather, furs and other kinds of goods. Bohumil Urban was received today by Mongolian Premier Dumaagiyn Sodnom. [Text] [Prague CTK in English 1634 GMT 19 Feb 86] /12640

CSO: 2400/201

ECONOMY

HUNGARY

BRIEFS

WORKERS LEAVE FOR KAZAKH OILFIELDS--Budapest, 18 Jan (TANJUG) [dateline as received]--The first group of Hungarian workers recently left for Kazakhstan, where they will work in oil fields under an agreement signed between Hungary and the Soviet Union. From 4,000-5,000 Hungarian workers will be working in oil fields in Kazakhstan in the coming years, in return for which the Soviet side will deliver natural gas to Hungary via a new gas pipeline. In addition to the current 4 billion cubic meters of natural gas, Hungary will as of 1990 be receiving from the Soviet Union an additional 2 to 2.5 billion cubic meters, which will cover around 70 percent of the domestic demand in natural gas. Hungary will also participate in the further construction of the gas pipeline with deliveries of equipment and spare parts, which will bring its total investments close to one billion rubles. [Text] [Belgrade TANJUG in English 0020 GMT 18 Feb 86] /9604

CSO: 2020/90

20 March 1986

## ECONOMY

## POLAND

## BANKER URGES SPECIAL ZLOTY FUND FOR FOREIGN DEBT SERVICE

Warsaw ZYCIE GOSPODARCZE in Polish No 51/52, 22-29 Dec 85 p 14

[Article by Marian Minkiewicz, chairman of the board, Bank Handlowy]

[Text] Bank Handlowy has been servicing the country's foreign debt for many years. Repayment of the debt principle and accrued interest is made in hard currency which Bank Handlowy purchases in zloty from Polish exporters. Servicing the foreign debt, therefore, involves problems in obtaining both hard currency and zloty. The heart of the problem lies naturally with hard currency, however, in recent years problems with zloty are also becoming a matter of significant concern.

Until recently, the principles employed by the country in repaying the foreign debt coupled with a stable and fixed rate of exchange had practically resolved the problem of servicing the foreign debt in zloty. In keeping with these principles, the final purchaser of goods imported on credit to Poland made payment in zloty at time of delivery. Bank Handlowy, hence, received payment in zloty equivalent to the value of foreign bank credits utilized for the import of commodities and calculated at the current exchange rate. These payments were then placed in a special interest-bearing account in the National Polish Bank. If commercial foreign credits were needed to be utilized, their conversion into zloty was made against investment accounts held by foreign trade firms in Bank Handlowy. Therefore, during a period of stable exchange rates, full settlement of foreign obligations in zloty from bank and commercial credit accounts was essentially secured.

Zloty accumulated in investment accounts were used to purchase hard currency from Polish exporters which were needed to pay credit installments. Interest accumulated from investments was used to purchase hard currency to repay interest due on loans from foreign creditors. Only when the average interest charged on foreign credits exceeded the national interest rate applied to investment was there a need to cover the difference with funds from the national budget. The amount in question, however, represented a relatively insignificant sum. Furthermore, payments from the budget were subject to the country's foreign credits which came under the secondary form of payment and thus played a minimal role.



The described system of repayment, naturally simplified and in outline form, assured the full zloty amount in servicing the foreign debt. A significant turn of events occurred with the initiation of economic reforms. The exchange rate, one of many instruments used in measuring the growth rate of individual economic units, could not remain fixed. Between the years 1982-85, in view of an inflationary rise in the cost of producing export goods and price and exchange rate fluctuations on international markets, the price of foreign currency rose significantly. This led to a shortage of zloty accumulated in investment accounts to cover foreign obligations.

Zloty in investment accounts would have indeed been sufficient to cover interest charges and in repaying the debt principle for several years without having to reach for auxiliary sources. However, after exhausting the income from investment accounts, these auxiliary sources of financing would be severely burdened in meeting the full zloty amount of the foreign debt. This is why a gradual expenditure of investment to repay credit installments (in amounts calculated by the exchange rate existing at the time the credits were utilized), as well as appropriating the full interest accrued in investment accounts to cover foreign interest would seem expedient, as would simultaneously initiating auxiliary sources in financing an increased zloty expenditure caused by a rise in the rate of exchange.

Individual enterprises should form an ultimate source of additional revenue used to cover the zloty amount of the foreign debt since an increase in the rate of exchange promotes an increase in business activity and because their production potential rose as a result of credit and national budget utilization.

In keeping with the established economic reforms, official prices of essential raw materials and supplies are set according to average prices secured or paid in foreign currency at current exchange rates (26 Feb 82 law on pricing). Supply prices rose as a direct result of an increase in the rate of exchange--though somewhat delayed in reality--resulting in an increase in the value of the zloty reserve in the national economy. It would be proper to at least partially defray the difference in the rate of exchange pertaining to the foreign debt service by reassessing the supply of raw and material resources and commodities whose domestic prices are set according to foreign prices.

A sum totaling approximately half the value of increased reserves in the national economy was placed in a central account in the National Polish Bank [NBP] after the first jump in the rate of exchange occurring in 1982. Money accumulated in this account was used by the NBP to cover shortages in business capital and in liquidating the obligations of centralized funds held by unions. Beginning in 1983, 50 percent of the value of increased reserve funds, resultant from increased official prices, is being carried over into the national budget. It would seem appropriate, for instance, to apply half this amount directly into covering the difference in the rate of exchange rather than into the budget.

Capital good ownership in collectivized firms rose significantly in the 1970's as a result of their use of foreign credits (directly through imports

and indirectly through an increase in investment potential within the national economy). This would then justify the participation of individual firms in financing the foreign debt based on the value of the capital goods in their possession.

The existing system of import settlement, described earlier, is based on cash payment. This does not mean, however, that domestic buyers, paying for goods in zloty at time of delivery, did not simultaneously profit from various forms of zloty credits from Polish banks, even though these credits were not formally or directly related to foreign credits. Foreign credit liabilities, in zloty, incurred by Bank Handlowy and foreign trade firms through importing goods rose as a result of a change in the exchange rate, while the obligations of final buyers of these goods purchased with domestic credit remained constant.

Foreign credits, due to their separation from foreign credits, were not calculated into final purchases (excluding hard currency credits leaning on self-payment), therefore, it would now be impossible to determine how many and which firms actually benefitted from them. This requires imposition of uniform charges proportionate to the value of capital goods owned.

Furthermore, one should ask whether business participation in servicing the foreign debt in zloty is to affect the cost of production or profit. In considering the answer, one should keep in mind that an increase in the cost of production would not be desirable due to the adverse affect it would have on the price level. On the other hand, in considering the efficacious utilization of capital goods, it would be desirable to impose a payment which would go into a development fund consisting partly of profits and amortization deductions. It does not seem that such payments, set at reasonable rates, imposed on firms in servicing the foreign debt would hinder necessary modernization and restoration processes.

Total monetary resources accumulated in business development funds has increased annually and exceeds all expectations, while business investment capital surpasses the estimates in the National Annual Plan [CPR]. Furthermore, starting in 1986, an important source of business investment financing will come from bank credits.

The national budget naturally would compose an ultimate source of funds in balancing deficits in the event that existing and new sources fell short of the zloty amount needed in financing the country's foreign debt. One should certainly consider whether payments made by firms for this purpose should pass through the national budget. The specific and long-term character of expenditures in servicing the foreign debt would, however, favor their separation from the national budget. Therefore, it is expedient to create a separate and unappropriated zloty fund to be used to service the foreign debt. One with its own deposit and payment plan, scrutinized and approved by the Sejm.

This type of fund, thought of as an auxiliary source, should not be made to replace basic monetary resources accumulated in investment accounts held by Bank Handlowy and foreign trade firms or contribute to the settlement of every individual credit undertaking. Instead, it would be advisable to concentrate on the fundamental sources at the disposal of Bank Handlowy. In this manner, a clear system directed by Bank Handlowy to service the entire amount of the country's foreign debt would come into existence, one which could periodically rely on resources from this fund to offset a negative zloty balance.

13090/9435

CSO: 2600/197

ECONOMY

POLAND

#### NEW POLISH ECONOMIC SOCIETY OFFICERS MEET WITH JARUZELSKI

Warsaw ZYCIE GOSPODARCZE in Polish No 51/52, 22-29 Dec 85 p 3

[Text] New Polish Economic Society [PTE] officers, elected during a congress held in Katowice, met with Wojciech Jaruzelski on 14 Dec in the PZPR Central Committee building. Representing the PTE executive body were: Prof Zdzislaw Sadowski, chairman of the Main Administration of the PTE; Prof Czeslaw Bobrowski, honorary chairman of the PTE; Prof Jozef Pojestka, president of the Main Administration of the PTE; Prof Stanislaw Borkowska; Dr Andrzej Jaskulski; Aleksander Lukaszewicz; Dr Janusz Pikulski, vice-president of the Main Administration of the PTE; docent Tomasz Afeltowicz; Prof Stanislaw Raczkowski; master Edward Getkowski, general secretary of the PTE; Dr Andrzej Herman, secretary of the Main Council of the PTE; and master Tadeusz Luczycki, president of the Main Revisory Commission of the PTE.

Zdzislaw Sadowski reported the findings of the 14th PTE National Congress to the PZPR Central Committee First Secretary. The congress, expressing the opinion of the Polish economist community, firmly backed a further uniform continuation of economic reforms, viewing them as an essential component in strengthening the national economy. At the same time, it expressed concern and alarm over existing obstacles inhibiting desired economic and organizational conditions which would bring about an improvement in the economy.

It is the opinion of those present at the meeting that the existing economic reforms, despite having made certain improvements and gains, are not meeting desired expectations not only as a result of adverse extrinsic conditions but also because of intrinsic barriers such as bureaucratic impediments. In evidence of this fact is the attempt made at using past techniques in managing the economy which clearly proved to be ineffective.

The Polish socioeconomic situation needs to follow a consistent course in order to reform the economy. Social forces need to be strongly engaged in this effort. It is also imperative that the party and Sejm should reinforce the supervision over the course of reform to be followed, in addition to, fully utilizing various scientific groups as advisors on these matters.

The debate stressed that the battle over reforms demands the strengthening of its ideological platform. This requires firm resistance, in theory as in



practice, against both conservative attitudes and those resulting from a lack of reality or showing opportunism or ignorance.

The essence of economic reforms is to bring about a new quality of socialistic attitudes towards production. For after all, these are socialist reforms which entail a proper interrelation between socialist tenets on social justice and individual and collective motivations towards progress, innovation and efficient economic management.

The work of reform demands the release of the rank and file's powers of progression and rationalization which are inherent in human behavior. The country's economic situation continues to remain difficult. Society should be fully informed of its actual state in order to combine this knowledge with the belief that there does exist a potential and necessity for efficient activity. Proof of its attainability can be shown by the progress achieved in recent years, particularly through economic reforms, despite extrinsic and intrinsic obstacles.

The debate also stressed that the potential for future socioeconomic development in Poland and in fully realizing the basic principles of the socialist system is dependent on how efficiently the progress made in reforming the national economy is related to changes in social growth. This requires a departure from the process of planning a national development strategy on the basis of foreseen energy and raw material restraints. We must adopt a position allowing us to fully utilize intellectual potential and social energies in order to overcome these barriers which clearly represent economic choices which need to be made by society.

It would be unwise to retain the ineffective system of production which continues to exist within the Polish economy. The process in making structural revisions must be accelerated. The progressive changes concerned with here should not only consider areas directly affecting material production but its environment as well (it should also consider administration, trade, transportation, health services, recreation, etc.).

Those attending the meeting also accentuated the desire to intensify the work in creating and developing an economic culture within Polish society. It is also necessary to enhance the economist's position over the economy. The exact status of the business managerial cadre also needs to be guaranteed.

The PTE representatives stressed that close cooperation among the Polish Economic Society, Chief Technical Organization and other fraternal societies is imperative to society's working towards an improvement of the economy and for its efficient management.

W. Jaruzelski contributed to the discussion by confirming the will of the party leadership and of the country for the consistent continuation of economic reforms. He spoke of the various extrinsic and intrinsic obstacles hindering this course. He pointed to the main problems and to a course of action which would lead to the socioeconomic development of the country.

Marian Wozniak, Politburo member and PZPR Central Committee secretary, and Marek Holdakowski, head of the Central Committee's Economic Department, were also present at the meeting.

13090/9435

CSO: 2600/197



ECONOMY

POLAND

#### POLISH ECONOMIC SOCIETY CHAIRMAN REPORTS ON MEETING

Warsaw ZYCIE GOSPODARCZE in Polish No 51/52, 22-29 Dec 85 p 3

[Report given by Prof Zdzislaw Sadowski, chairman of the Polish Economic Society]

[Text] I believe that this meeting was very important for the Polish economist community. The meeting was well attended and very energetic and open. We gained the opportunity for a large-scale representation of our Society's concerns and intentions relating to the realization of its statutory aims, in addition to, coming to a friendly and profound understanding.

Our basic statutory goal is to participate in shaping the country's economic development. Therefore, our chief concerns are with issues relating to the consistent continuation of economic reforms, the ability to overcome obstacles and resistance towards their introduction, the creation and realization of a suitable development strategy, changing the economic structure of the country and in raising the standard of living.

The main topic of discussion focused on the continued difficult economic situation existing in the country. A situation which was apparently brought about by a period of prosperity paid for through credit. We must now repay this credit through the efforts of the entire country. Our western creditors, however, are not making it easy for us to do this. Despite this, we are making progress, and the key to it is economic reforms. The discussion also focused on public issues, on attitudes and perceptions, on formulating views and a trust of the future, in addition to specific everyday issues, such as, prices, wages, living conditions and jobs.

In planning a development strategy, we cannot allow ourselves to be dominated by present obstacles, such as a lack of energy and raw materials. Our strategy should not become subordinate to these shortfalls for it would only condemn the economy to continued shortages and controls. In order to avoid this, we must rely on intellectual potential, on initiative and on the energy of people at every social level and in all professions. However, there are things which we cannot overcome immediately, such as, hard currency problems which need to be solved gradually. The balance in trade, on the other hand, needs our immediate attention. We must defend against

monopolizing the economy, against everything which strengthens a structure dependent on trade alone. We must reinforce business self-sufficiency within the framework of legal codes and exact principles for self-financing. This goal requires extending the activity of workers' groups in which the PTE should play a significant role.

A new wage rate must be dependent on improved behavior and discipline in the work place, in addition to, reaching an agreement whereby wages would be directly tied to output. Institutional wage agreements must play a large role in this area, even though not all the experiences associated with them have been satisfactory up to now. We need to find a suitable method of relating them to collective labor agreements. These are matters which are both extremely difficult to solve and of great importance.

Much was said concerning economic recommendations on various levels and on communicating economic knowledge and activity to society. There is much that needs to be done here, beginning with the need to educate economists themselves. The Polish Economic Society should and wishes to form a precise ideology and course for the country's future, a condition of major interest to young economists. Inherent theoretical deficiencies and the need to publish textbooks adapted to the contemporary world were also stressed during the meeting. We also gave much thought on how to better present important economic points through the mass media in order that it be both interesting and instructive.

Society should be aware of economic facts, even if they do foretell of continued hardships and impediments. Knowing all the facts is and should become a source of strength since knowledge is the basis for activity. Significant economic improvements achieved by Poland in recent years in defiance of and in spite of all hardships is a good forecast for the future.

13090/9435  
CSO: 2600/197

ECONOMY

YUGOSLAVIA

STATUS OF ASSOCIATED BANK OF CROATIA

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 12 Dec 85 p 2

[Article by T. Kapetanovic: "Liquidity Improved"]

[Text] Last year, with considerable difficulties, nine large banks in Croatia independently conducted business with foreign countries through nine separate accounts. Now, when all of the accounts have been merged into one through the Associated Bank of Croatia, Croatian banking is absolutely liquid with respect to foreign countries. It is repaying its obligations regularly, and furthermore not one of the banks has been harmed. The mutual debts of the banks in the republic have been reduced from \$428 million to \$53 million, with a good chance of completely eliminating the debts during the next few days, and by the end of the year at the latest.

There are still some not exactly negligible difficulties in the work of the Associated Bank of Croatia, but after a year of operation, as its president Tomislav Badovinac stated, the process of the formation of the largest bank in our country has been successfully completed.

The establishment of the Associated Bank of Croatia was awaited with considerable skepticism and suspicion, and the preparations for its establishment lasted longer than expected, but in the past 12 months its justifiability has been confirmed, since when it began to operate there was a considerable increase in the reputation and credit rating, not only of banking, but also of the entire Croatian economy, in Yugoslavia and abroad.

"In the year since the birth of this bank, there have been many problems in the republic's economy, which have also affected the banking organizations, because of large foreign exchange obligations and high illiquidity. The idea of creating the UBH [Associated Bank of Croatia] had many opponents, and the heads of banking organizations throughout the republic were the ones who expressed the greatest skepticism. It was also asserted that the creation of one more republic bank -- similar banks existed earlier in all of the republics and provinces -- was one more confirmation that monetary flows were closed off inside republic boundaries."

Some banks did not sign the Agreement on Association in the UBH until the last moment, and some have not done so to this day, and our impression is that the

banks, and least of all the economy, were the main opponents of the creation of a "head" of the circulation of bank funds, especially foreign exchange funds. The new bank also had difficulties with its premises and personnel, and so no one predicted a happy future and a long life for it.

"The main reasons for the obstacles to the association were precisely the unresolved mutual relations of the banks in Croatia, and the financial institutions that had the most difficulties in operation were the ones that profited most from the establishment of the Association. The opening of a united account for business with foreign countries," Badovinac says, "was perceived by the banks as a direct attack on their autonomy and sovereignty, but it turned out that it was a correct economic move -- the liquidity of all the banks and the overall financial credit rating have improved now."

The Associated Bank of Croatia, its representatives claim, has now become a solid link in the republic's banking, a place for agreement and coordination in which even the most complex credit and financial transactions can be carried out. All obligations abroad during the past period have been settled regularly, and the frequent freezing of the accounts of individual banks because of failures to repay due debts on time has become a thing of the past. All of the banks in the republic have also settled their mutual obligations, amounting to almost half a billion dollars. The concentration of money has made it possible to keep track, on a daily basis, of the obligations of all the banks and of the use of it in a timely and efficient manner.

The current foreign exchange receipts of all of the members of the Associated Bank of Croatia have made it possible to use one account to repay \$424 million to foreign countries in the first 9 months of this year, to make current payments of \$615 million at the same time, and to open new letters of credit amounting to \$649 million.

9909

CSO: 2800/106

ECONOMY

YUGOSLAVIA

**PUBLIC BOND TO CREATE JOBS IN BOSNIA-HERCEGOVINA**

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 3 Dec 85 p 12

[Unsigned article: "Subscription to Employment Bond Begun"]

[Text] Sarajevo, 2 December (mm)--The subscription to a national bond for employment began in Bosnia-Herzegovina on 1 December and will last until the end of February 1986. This is considered here to be the news of the day and the year for Bosnia-Herzegovina.

Subscription sites have already been opened in all opstinas and local communities, and today and in the next few days, the same will be done in all of the organizations of associated labor, agricultural cooperatives, banks, and units of the JNA [Yugoslav People's Army]. It is also expected that a contribution will be made by workers from Bosnia-Herzegovina who are temporarily employed abroad and those who are currently working in other Yugoslav republics and provinces. The subscription was thus started by retirees, craftsmen, and housewives, and today and in the next few days it will be done by more than a million people employed in Bosnia-Herzegovina and outside it -- abroad.

This solidarity action, which took place after several months of thorough preparations, will secure about 40 billion dinars for the additional employment of 100,000 young workers during the next 5 years. New or renovated facilities will be opened as early as the beginning of next year, and, thanks to the money from the bond, will employ some of those who are now waiting for a job.

In some areas the subscription for the bond actually began much earlier than the scheduled date (1 December), with the explanation that one month's income from every employee, and frequently more than that, would be allocated for the creation of new jobs. The bond is to be paid at once or at most in 18 installments, and the funds paid (on the basis of promissory notes that will be distributed later) will be repaid after 5 years, with interest. For now, the direct producers, workers, are taking the lead in this great work, and they are followed by the Trade Union and many others, who are at the same time also advocating the institution of a new voluntary contribution which, along with the bond, will also accelerate more rapid employment.

9909  
CSO: 2800/104



ECONOMY

YUGOSLAVIA

OIL, GAS PRODUCTION PLAN, 1986-1990

Zagreb NAFTA in Serbo-Croatian No 7/8, Jul-Aug 85 pp 313-326

[Article by Vladimir Aksin, geological engineer, doctor of geological science, adviser to the Professional Management Board of SOUR "Naftagas," and professor in the School of Mining Geology at Belgrade University, and Josip Secen, petroleum engineer, doctor of engineering science, chief engineer of the Production Department of the RO INA-Naftaplin, Zagreb, senior lecturer in the School of Petroleum Geology and Engineering at Zagreb University: "Status and Prospects for Development of Exploration and Production of Petroleum and Gas in Yugoslavia"]

[Excerpts] Petroleum and Gas Production

Petroleum and Gas Production in the Past

Petroleum and gas production, which had already recorded its first results in the middle of the last century, did not come into its own until after the liberation of Yugoslavia. Table 4 shows petroleum and gas production for certain periods of time.

Table 4. Production of Crude Petroleum and Natural Gas in Yugoslavia During Certain Periods of Time

<u>Period</u>	<u>Duration, in years</u>	<u>Crude Petroleum, in tons</u>	<u>Natural Gas, in 10<sup>3</sup> m<sup>3</sup></u>
1868-1918	51	7,531	1, 2
1919-1940	22	7,879	138,021
1941-1944	4	73,803	17,028
1945-1983	<u>39</u>	<u>74,634,251</u>	<u>29,790,100</u>
Total	116	74,723,464	29,945,149

1 Negligible quantities of gas were produced and used.

2 Includes production not registered and production in the Bujavica field 1918/1919 (estimated at 75 million m<sup>3</sup>).

Crude petroleum production has grown since 1945 mainly as reserves have been discovered and in keeping with the development of the deposits discovered and their preparation for production, which very often has depended upon the available financial resources.

Natural gas production, however, has not kept pace either with petroleum production or with discovery of gas reserves. It has been limited by the absence of an adequate gas pipeline network for transport of the gas to consumers. Gradual construction of gas pipelines since 1958 has helped to speed up the growth of consumption and therefore the production of gas.

Yet in recent years petroleum production has been slowly declining, while gas production has fluctuated because of a mismatch among consumption, imports, and the possible domestic production.

The slow decline in petroleum production and also the reduction of known petroleum and gas reserves show that the intensity and expansion of exploration have not been sufficient or in keeping with the natural conditions. The reasons for this situation are numerous and very complicated, and their roots lead back to the problems of economic policy and the country's economic system.

Total postwar production of crude petroleum in Yugoslavia amounts to about 75.6 million tons, and that of natural gas about 29.7 billion m<sup>3</sup>. (Footnote 1) (According to the records, however, contained in the Balance of Reserves for 1983, 31.9 billion m<sup>3</sup>.) SR Croatia accounts for about 72 percent of the petroleum and about 56.4 percent of the gas, SAP Vojvodina about 26 percent of the petroleum and about 43.4 percent of the gas, and SR Slovenia about 1 percent of the petroleum and 0.2 percent of the gas. During 1984 petroleum production was 4.06 million tons and gas production 2.13 billion m<sup>3</sup>, which means that petroleum production has fallen off from 1983, while gas increased.

All the petroleum and gas fields discovered so far are not, however, in production. Some have been exhausted, others are in the phase of prospecting and development, or in preparation for exploitation, but some perhaps will never even go into production, since they are too small, and the economic conditions do not obtain for their exploitation.

Up to now there have been 62 petroleum and gas fields in production in our country. Today 6 are already exhausted, so that there are 56 fields in production.

#### Plan for Production of Petroleum and Gas Over the Period From 1986 to 1990

The plan for petroleum and gas production in the coming period is based mainly on the operating capacities of the well-known fields, and only to a smaller extent on potential reserves.

In view of the diminished scope of explorations in the past, which we have mentioned, production of petroleum from potential reserves is anticipated only in 1989 and 1990, which would be from the deposits in the Pannonian Basin.

while gas production from that same category of reserves is anticipated in 1990, and that would come from deposits located in the Pannonian Basin and the northern portion of the Adriatic Sea.

The pace of petroleum and gas production is shown in Tables 5 and 6. It is obvious that there will be a continuous reduction in petroleum production until the potential reserves are included in 1989 and 1990. That drop in production is inevitable because of the nonrenewability of the depleted portion of the reserves. To be sure, in RO INA-Naftaplin they have had great success since 1972 in efforts to increase recovery and production of petroleum using secondary methods, whereby the energy in the pools is renewed or its exhaustion halted by injection of water and/or gas.

Table 5. Pace of Petroleum Production Over the Period 1986-1990, in  $10^3$  tons per year

<u>Indicator</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Domestic petroleum					
Naftaplin	2,830	2,595	2,464	2,416	2,355
Naftagas	1,000	1,000	1,000	1,000	1,000
Total	3,830	3,595	3,464	3,416	3,355
Petroleum from foreign concessions	135	251	329	331	651
Total	3,965	3,846	3,793	3,747	4,006

Table 6. Pace of Gas Production Over the Period 1986-1990, in  $10^6$  m<sup>3</sup> per year

<u>Indicator</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Naftaplin	2,054	2,125	2,227	2,238	3,209
Naftagas	1,160	1,110	1,060	1,060	1,110
Total	3,214	3,235	3,287	3,298	4,319

The processes of water injection are being used at seven fields, while gas is being injected at the pools A<sub>1</sub> and A<sub>2</sub> in the Zutica field.

These undertakings have increased recovery from total geological reserves discovered from 25 to 38 percent, and petroleum production is almost double what it would have been had those methods not been used.

The decline in the production of domestic petroleum will be offset to a fair degree by production from foreign concessions, primarily from deposits in Angola, so that it can be said of the coming medium-term period that it will not mean a reduction, but maintenance of the same level of petroleum production.

By contrast with petroleum, over this period gas production is expected to more than double over what it is now. This primarily pertains to fields which have still not been prepared for production. These are the ones in the Drava Valley and the potential ones in the northern portion of the Adriatic Sea.

If hydrocarbon production is converted to tons of standard petroleum, on the basis of 1 ton of standard petroleum for every 1,000 m<sup>3</sup> of gas, then we arrive at a figure indicating a continuous growth in hydrocarbon production from  $7,179 \cdot 10^3$  tons per year in 1986 to  $8,325 \cdot 10^3$  tons per year in 1990, or 13.8 percent.

Production of the products of primary processing (propane, butane, pentane, primary gasoline, and ethane) and of secondary processing (ethylene and other products) which have not been covered in any detail by this paper are bound up with the production of gas.

In spite of the quite modest growth of production of hydrocarbons up to 1990, in the period that follows a larger growth of production is anticipated primarily because of the more intensive explorations which will be undertaken only in the next planning period. Substantiation of all the measures which are the basis of that promise is provided in the discussion below.

7045

CSO: 2800/160

ECONOMY

YUGOSLAVIA

PETROCHEMICAL PRODUCTION FROM OIL, GAS TO 1990

Zagreb NAFTA in Serbo-Croatian No 7/8, Jul-Aug 85 pp 337-344

[Article by Mirko Seler, engineer of "Petrokem," Zagreb; Sadudin Hadzialic, engineer, adviser to PO Energoinvest RO Bosanski Brod Petroleum Refinery; Ivan Mijatovic, engineer, coordinator of SOUR Naftagas, Development Department, Belgrade; and Mihael Zambeli, engineer, coordinator in RO INA Research and Development, Zagreb]

[Excerpts] Problems in supply of the necessary raw materials to the petrochemical industry have been especially evident since the curtailment of petroleum imports.

This article offers an approximate analysis of the situation in the petroleum and petrochemical industry over the planning period from 1986 to 1990 and makes it evident that raw materials can be furnished to a high degree if the method of allocation is agreed on and if producers of the raw materials discharge their obligations according to the schedule agreed on.

Table 1. Capacities in 1985 and Projected Consumption of Petrochemical Products in Yugoslavia in the 1985-1995 Period, in thousands of tons

Products	Available Capacities, 1985		Projected Consumption in Yugoslavia					
	SFRY Total	SR Cro- atia Alone	1985		1990		1995	
			4	5	5	6	6	6
1	2	3	4	5	5	6	6	6
<b>I. Finished Chemical Products</b>								
<b>Plastics</b>								
Polyethylene low-density and lld	198	153	155- 175	180- 200	205- 280			
Polyethylene high-density	50	--	48- 55	65- 80	86- 130			
Polypropylene	30	--	40- 50	60- 70	74- 110			
PVC	284	144	160- 185	195- 220	230- 300			
Polystyrene	77	77	57- 65	70- 80	85- 120			



Table 1 (continued)

1	2	3	4	5	6
Principal thermo-plastics	639	374	460- 530	570- 650	680- 940
Other plastics	373	63	280- 300	320- 350	370- 420
Man-Made Fibers					
Polyester	76	14	47- 56	70- 85	85- 100
Polyacrylic	26	—	25- 26	28- 30	30- 45
Polyamide	28	—	19- 21	30- 35	35- 40
Other	10	—	9- 12	17- 20	20- 25
Total man-made fibers	140	14	100- 115	145- 170	170- 210
Synthetic Rubber					
SB rubber	40	—	50- 60	68- 80	90- 110
Other	—	—	30- 30	42- 50	60- 70
Total synthetic rubber	40	—	80- 90	110- 130	150- 180
Fertilizer					
Nitrogen (N)	1,032	478	790	1,061	1,240
Phosphorus (P <sub>2</sub> O <sub>5</sub> )	701	158	400	517	607
Potassium (K <sub>2</sub> O)	—	—	360	493	579
Total fertilizer	1,733	636	1,550	2,071	2,426

## II. Intermediate Chemical Products

VCM [vinyl chloride monomer]	300	200	165- 190	200- 220	235- 310
EDC [ethylene dichloride]	310	150	264- 304	320- 352	376- 496
Styrene	8	8	72- 85	92- 106	114- 156
Ethyl benzene	10	10	85- 100	105- 120	130- 180
Ethylene glycol	—	—	23- 27	34- 39	41- 45
Ethylene oxide	—	—	32- 36	45- 50	55- 60
Acrylonitrile	—	—	30- 32	34- 36	36- 55
Terephthalic acid	—	—	41- 50	61- 75	75- 87
Caprolactam	—	—	18- 20	28- 33	33- 38
Melamine	—	—	8- 11	9- 13	11- 15
Phenol	15	15	11- 12	12- 14	14- 16
Formaldehyde	198	—	125- 135	140- 155	160- 190
Cumene	21	21	18- 20	20- 24	24- 26
Vinyl acetate	—	—	23- 25	25- 30	30- 35
TDI	38	—	13- 14	15- 17	17- 20
Softeners	55	25	44	53	64
Acrylic acid	—	—	16	27	40
Oxo alcohols	—	—	33	40	48
Acetic acid	100	—	24- 26	27- 31	32- 37

Table 1 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
III. Primary Chemical Products					
Olefins: Ethylene	312	112	360- 410	440- 500	525- 710
Propylene	98	13	150- 170	200- 220	230- 310
Butadiene	27	5*	65- 70	85- 100	115- 140
Aromatics: Benzene	188	176	110- 130	145- 160	170- 220
Toluene	73	73	9- 10	11- 12	12- 14
p-xylene	73	73	29- 35	43- 53	53- 61
Methanol	360	—	70- 75	80- 90	95- 105
Ammonia	1,393	645	1,102-1,105	1,480-1,486	1,726-1,743

\* Only as a source of raw material (Organic Chemical Industry, Zagreb).

Note accompanying Table 1: The projected consumption of intermediate and primary chemical products was derived from the projected consumption of finished products. Nitrogen fertilizer capacity was derived from ammonia capacity, and the capacity for production of phosphorus fertilizer from the capacity for production of phosphoric acid.

The benzene and toluene capacities indicate possible gross production. Should the capacities of the hydrodealkylation installation at the Rijeka Refinery be used, the capacity for toluene is reduced. Should the capacity of the hydrodealkylation installation not be used, the quantity of benzene is reduced. The capacities for "other plastics" pertain to the following: polyvinyl acetate 26,000 tons per year (SR Croatia 10,000 tons per year), polyacrylates 9,000 tons per year (SR Croatia 5,000 tons per year), polyesters and alkyds 50,000 tons per year (SR Croatia 10,000 tons per year), phenolic plastics 34,500 tons per year (SR Croatia 21,800 tons per year), amino plastics 163,100 tons per year (SR Croatia 2,900 tons per year), epoxides 2,000 tons per year, cellophane 9,800 tons per year, other cellulosic plastics 19,000 tons per year, and polyurethanes 60,000 tons per year (SR Croatia 12,000 tons per year).

Table 2. Present Situation in Petroleum Refining Capacities (1985)

<u>Work Organization</u>	<u>Installation</u>	<u>Capacity, in 000 t/yr</u>
INA Refinery Rijeka	Atmospheric distillation	8,000
	Platforming	760
	Catalytic cracking	1,000
	Aromatics	438
	Viscosity breaking	317
	Asphalt	460
INA Refinery Sisak	Atmospheric distillation	6,700
	Platforming	800

Table 2 (continued)

<u>Work Organization</u>	<u>Installation</u>	<u>Capacity, in 000 t/yr</u>
	Catalytic cracking	500
	Aromatics	600
	Coking	218
	Asphalt	300
INA Lendava	Atmospheric distillation	700
Naftagas Refinery Pancevo	Atmospheric distillation	5,500
	Platforming	360
	Aromatics	30
	Catalytic cracking	1,000
	Viscosity breaking	1,000
	Alkylation	100
	Asphalt	300
Novi Sad Refinery	Atmospheric distillation	3,000
	Platforming	500
	Asphalt	220
Energoinvest	Atmospheric distillation	2,100
Bosanski Brod Refinery*	Platforming	700
	Asphalt	350
Skopje Refinery	Atmospheric distillation	2,500
	Platforming	450
Total, 000 tons	Atmospheric Distillation 28,500	Catalytic Cracking 2,500
		Reforming 3,570

\* An atmospheric distillation plant is still under construction at Bosanski Brod with a capacity of 3 million tons per year, to be completed by the end of 1986.

In petroleum refining the investment projects planned and started have mainly been completed although quite late and with cost overruns.

Along with those installations for petroleum refining, the system of the "Yugoslav Petroleum Pipeline" has also been built, which links together all the refineries except Rijeka and Skopje.

It follows from the above that the planned sources of raw materials for the petrochemical industry have been secured, but because of the disturbances of economic flows already mentioned petroleum and gas production and refining have not developed as predicted.

Table 3. Need for Petroleum Products for Nonenergy Purposes, in millions of tons\*

Products	1985	1990	1995	2000
Primary gasoline for olefins	2.10	2.10	3.00	4.00
Primary gasoline for aromatics	1.00	1.25	1.00	2.00
Other solvents, petroleum coke, carbon black	0.20	0.25	0.30	0.35

\* Basic Premises of the Long-Range Economic Stabilization Program, p 274, Table 3.6.

Even after the detailed analysis in 1983 and publication of the Basic Premises of the Long-Range Economic Stabilization Program petroleum refining has not taken place in accordance with that document (for example, according to that document petroleum refining in 1985 ought to have been 17.5 million tons, but the plan in effect for 1985 calls for 15.1 million tons).

It is obvious from this that petroleum products, which were not set aside for nonenergy purposes, could not be produced in the projected quantities either.

This is neither the time nor the place for us to analyze those projections, but it is clear from the outset that something is wrong with those calculations.

#### Natural Gas

We have a somewhat different situation with natural gas. Although development of the domestic gas fields was late, the shortage of gas was made up through imports. Thus in 1984 total gas consumption (also including gas obtained from coal in Kosovo) was 5.126 billion m<sup>3</sup>, while the stabilization program projected 6.0 billion m<sup>3</sup> for 1985.

Many consumers are turning toward natural gas because of its price (domestic gas), easy handling, and high efficiency. As a raw material for a certain group of chemicals it has hardly any competition, so that truly dramatic situations come about if there is a shortage or imposed reduction. This is one of the reasons why the consumers were placed in categories used in establishing the order of priority for exclusion or reduction.

We can illustrate this with the pattern of gas consumption in SR Croatia by categories of consumers.

The categories of consumers in SR Croatia result in the following order of priorities:

- I. Residential and general consumption
- II. INA Petrochemical Industry, Kutina--for processing
- III. Technological energy
- IV. Industrial heat
- V. Thermal electric power plants and heating plants

Table 4. Pattern of Gas Consumption Between 1985 and 1990 in SR Croatia, in millions of m<sup>3</sup>

Indicator	1985	1986	1987	1988	1989	1990
Plan of the quantity for the market	2,016	2,628	2,780	2,927	2,938	4,069
Consumption category:						
I						
Quantity	282	389	436	486	517	650
%	14.0	14.8	15.7	16.6	17.6	10.0
II						
Quantity	640	750	750	750	750	750
%	31.7	28.5	27.0	25.6	25.5	18.4
III						
Quantity	157	223	259	299	329	400
%	7.8	8.5	9.3	10.2	11.2	9.8
IV						
Quantity	597	875	937	1,024	1,037	1,600
%	29.6	33.3	35.0	35.0	35.3	39.3
V						
Quantity	340	391	362	368	305	669
%	16.9	14.9	13.0	12.6	10.4	16.5

It should be mentioned that the declared needs of consumers and distributors are greater than the available quantities indicated. The shortages could be reduced by linking the gas networks in the continental part of the country to the Adriatic part so that the surpluses of Adriatic gas might be used after the year 1990.

In order to equalize production and consumption of natural gas in SR Croatia and to smooth out the seasonal fluctuations an underground storage facility is being developed which is to go into service in 1987, but since it would take several years to fill it completely the full-fledged role of the storage facility can be anticipated only after the year 1990.

Table 5. Planned Consumption of Natural Gas for Petrochemical Production, in millions of m<sup>3</sup>

Indicator	1986	1990
INA Petrochemical Industry, Kutina	750	750
HIP Pancevo	740	800
SMK Kikinda	220	340
INA Lendava	151	151
Total	1,861	2,041

Remark: Of these quantities, 70-84 percent is consumed in synthesis itself, and the remainder as a source of technological energy.



We see that a large portion of natural gas is being imported. According to experience to date it is not reliable enough to have one source of imports (USSR), and negotiations have therefore been going on with Algeria for quite some time so that a portion might be obtained from its sources.

Condensate occurs in the gas deposits of SR Croatia within rather broad ranges of distillation, from liquid petroleum gas to heavy gas oil. Construction of a plant for extraction of n-paraffin (35,000 tons per year) is planned in order to use 330,000 tons per year of that condensate. Other products from that separation facility would find their place among the gasolines, diesel fuel, and special oils. Should there be a shortage of this gas condensate, an alternative raw material has been provided for--the kerosene fraction from the petroleum refinery.

Table 6. Planned Quantities of Gas for the Market (Our Own Production + Imports in SR Croatia), in millions of m<sup>3</sup>

<u>Indicator</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Gas for the market	2,016	2,628	2,780	2,927	2,938	4,069
Portion of above including CO <sub>2</sub>	74	78	67	55	45	37
Gas for the system	1,942	2,550	2,713	2,872	2,893	4,032

Table 7. Production and Imports of Natural Gas in SAP Vojvodina, in billions of m<sup>3</sup>

<u>Indicator</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Production	1.00	1.00	1.00	1.00	1.00	1.00
Imports from the USSR	3.40	4.10	4.65	4.80	5.35	5.85
Total	4.40	5.10	5.65	5.80	6.35	6.85

Table 8. Consumption (Imports) of Natural Gas in SR Slovenia, in billions of m<sup>3</sup>

<u>Indicator</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Projected consumption	0.84	0.93	1.00	1.09	1.13	1.18

#### Primary Gasoline

Primary gasoline is the principal raw material from which olefins and aromatics are obtained, and a very wide range of products is obtained from them as secondary and tertiary derivatives. The potential for production of primary gasoline depends on many factors (motor gasoline consumption, the degree of integration of refinery technology, and so on), but the most important factor is the quantity and quality of petroleum refined. A normal trend of consumption of petroleum products and accordingly of petroleum refining was assumed in planning the development of the petrochemical industry dependent upon

primary gasoline. Unfortunately, that did not occur, and the needs for chemicals have remained the same or have been increasing slightly.

Table 9. Projected Petroleum Refining in the SFRY, in millions of tons per year

<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
15.55	16.00	16.50	17.00	17.50

Table 10. Capacity for Production of Aromatics in the SFRY, in tons per year

<u>Aromatics</u>	<u>Installed Capacity</u>	<u>Feasible Capacity</u>	<u>80% of Capacity</u>	<u>60%</u>
Benzene	188,000	138,000	110,400	82,000
Toluene*	73,000	—	—	—
o-xylene	71,000	45,000	36,000	27,000
m, p-xylene	57,000	39,644	31,716	23,786
p-xylene	73,000	35,000	28,000	21,000
Ethyl benzene	13,000	8,980	7,184	5,388

\* Toluene is dealkylated to benzene, but if necessary it can be obtained at the Rijeka Refinery in a quantity limited by the content of toluene in the gasoline produced by the reforming installation.

Table 11. Projected Production of Aromatics in INA, in thousands of tons per year

<u>Aromatics</u>	<u>1986</u>	<u>1990</u>
Benzene	72	75
Toluene	26	36
o-xylene	38	41
m, p-xylene	22	31
Ethyl benzene	5	7
p-xylene	<u>35</u>	<u>35</u>
Total	198	225

In our present situation and in the very near future we cannot anticipate any drastic increase in petroleum production, because there simply is not enough foreign exchange. According to the predictions, petroleum refining in Yugoslavia would range as shown in Table 9 over the period 1986-1990.

Assuming that primary gasoline is unconditionally set aside for the petrochemical industry in the quantity of 10.88 percent in 1986 and 11.4 percent in 1990, we would get 1,692,000 tons and 1,995,000 tons of gasoline.

Let us look at what could be obtained from those quantities of gasoline. First of all, in and of itself the quantity is not sufficient for any sort of

assessment; we also need to know the principal characteristics of that raw material with respect to the possibility of its subsequent processing to produce aromatics. Only a narrow fraction (from  $C_6$  to  $C_9$ ) of hydrocarbons is suitable for that purpose. That is why it is a very worthwhile effort within the INA refineries to work out the balance for aromatics within the refinery itself, and after that to make up so-called primary gasoline for the olefins. Let us first look at the theoretical potential for production of aromatics in the SFRY.

On the basis of the assumed refining of petroleum and the share of INA at 7.5 million tons in 1986 and 8.44 million tons in 1990, preliminary analyses were made, and they showed that it is possible to produce the quantities of aromatics at the installations in Sisak and Rijeka shown in the table (assuming that the growth of motor gasoline is quite moderate).

Since it takes about 2 tons of net gasoline consumed per ton of aromatics, we can calculate that 1,296,000 tons would remain in 1986 and 1,545,000 tons of primary gasoline in 1990 for the production of olefins.

If we assume that utilization of the pyrolysis installation in Pancevo is somewhere near the average, we could obtain from those quantities of primary gasoline the quantities of the products shown in the table (from domestic pyrolysis and quantities obtained for finishing).

The ethylene produced from ethane at the pyrolysis installation of INA-Naftapljin should also be added to the ethylene coming from pyrolysis of gasoline: 32,000 tons in 1986 and 35,000 tons in 1990. Accordingly, the total quantity of ethylene might be 402,000 tons in 1986 and 476,000 tons in 1990.

If we compare the results obtained for ethylene, propylene, and  $C_4$  with the derived projected consumption of primary chemicals, we see that they coincide with the lower values. (The first year examined in the table is 1985, but the range of the predictions is rather broad, so that they will certainly be valid in 1986 as well.) We can also take for purposes of comparison the quantity of ethylene called for under the self-management accord for 1985, which amounts to 345,000 tons, which was obtained by calculating the domestic consumption of 307,000 tons and exports of 38,000 tons.

In any case we first should meet the primary gasoline needs of domestic pyrolysis operations and let the remainder go for finishing in return for all the liquid fractions in quantities in which we have an interest.

Table 12. Use of Products in Gasoline Pyrolysis, in thousands of tons

<u>Products</u>	<u>1986</u>	<u>1990</u>
Ethylene	370	441
Propylene	166	198
$C_4$	94	112
Gasoline from pyrolysis	308	368
Remainder from pyrolysis	94	112

We have seen that the installations for producing aromatics do not have enough raw materials for 100-percent utilization of capacity, and the effort should be made to use pyrolytic gasoline for this purpose, which contains about 70 percent aromatics and contains more gasoline than the product of reforming. It is clear that this is not so simple to do, since the technology in place did not envisage such a case, but with certain efforts that source of aromatics might be used at least partially (there have been agreements to that effect for a long time between the Sisak Petroleum Refinery and Pancevo). Pyrolytic gasoline obtained from pyrolysis abroad could continue to be finished to produce aromatics and styrene. The way primary gasoline has been finished up to now is that the costs were paid in products or primary gasoline. Accordingly, if we want to obtain the recovery of all the products, we have to find a different method of payment.

#### Olefin Hydrocarbons From the Petroleum Refineries

In this case we will dwell only on the  $C_3/C_4$  fraction. In our refineries the installation for catalytic cracking of gas oils is the only serious source of olefin hydrocarbons. We have seen that such installations are operating at the INA refineries in Rijeka and Sisak and are in the phase of preparation for operation at the Naftagas Refinery in Pancevo. Total refining capacities at those installations are 2.5 million tons per year.

On the basis of past experience the yield from the  $C_3/C_4$  fraction is about 10 percent of the initial raw material. If we assume that those installations operate in 1986 with a capacity of 1.3 million tons and in 1990 with a capacity of 2.0 million tons, we can anticipate about 130,000 tons and 200,000 tons, respectively, of the  $C_3/C_4$  fraction.

At all three refineries the capability exists for separating  $C_3$  and  $C_4$ . Accordingly, even now olefins present in those fractions can be used for certain purposes (for example, production of the  $C_3$ -tetramer at OKI or the  $C_4$  fraction for production of MTBE at the PSK in Zrenjanin).

According to design figures and figures from the literature, a propylene yield of about 3.5 percent of the initial raw material is possible, but in practice it has turned out that we should count on a lower percentage of 2.7 percent. In the case of the butenes we can assume 4.0 percent, while for 1-butene itself we assume 1.7 percent. So, we can realistically anticipate the following from catalytic cracking installations in the coming period: between 35,000 and 54,000 tons of propylene, and the butenes might be between 52,000 and 80,000 tons, and 1-butene itself between 22,000 tons and 34,000 tons. However, in reality we have a somewhat different picture. At the Pancevo Refinery the  $C_4$  fraction will be used for production of gasoline alkylate (the installation is in the phase of preparation for operation). Industrial propylene at that refinery will be used for the production of oxo alcohols or for refinement in the fractionating tower (gradacija) for polymerization (probably at Chemical Industry Pancevo).

A self-management accord has been signed at the Rijeka Refinery concerning joint construction of a plant for production of propylene with IPIAS-Koper



(production of acrylic acid). The smallest amounts of propylene are available at the Sisak Refinery, and in their forecasts the C<sub>3</sub> fraction will be sent to OKI for production of the tetramer or for refinement into polymer propylene.

A feasibility study is now being done concerning use of the C<sub>4</sub> fraction in the petrochemical industry by INA and is to show which use should be chosen.

#### Raw Materials for Carbon Black and Petroleum Coke

The two principal raw materials for production of carbon black and the needle-crystal form of petroleum coke are the remainder from pyrolysis and decanted highly aromatic oil from catalytic cracking. The pyrolytic remainder is certainly the best raw material, it has a high aromatic content, does not contain sulfur and has uniform characteristics. The decanted oil varies in quality and quantity as a function of the raw material refined and the operating regime in the catalytic cracking installation, so that the balances indicated here need not be feasible in practice. (Should there be a high sulfur content, the decanted oil is not suitable for production of needle-crystal petroleum coke.)

Table 13. Raw Materials for Lamp Black and Petroleum Coke, in thousands of tons

Product	1985		1990	
	Available	Needed	Available	Needed
Lamp black*	120	120	160	140
Coke	30		50	

\* Calculated for 1985 and 1990 assuming recovery of 43,000 tons of pyrolytic remainder from finishing gasoline.

Consumption of carbon black is estimated at 60,000 tons in 1985 and 73,000 tons in 1990. Present production is 30,000 tons. Needle-crystal (premium) coke is entirely set aside for export, and this is one of the sources of foreign exchange to meet the needs of the refineries, so that there is good reason to be interested in its maximum production.

One of the limiting factors is the need for gas oils from domestic petroleum or low-sulfur imported gas oils to be refined separately in catalytic cracking and the decanted oil obtained in that way drawn off separately.

What can we conclude from this brief and rather rough survey? It is obvious that in the coming planning period there will not be any major investment projects in the petrochemical industry and that all efforts should be directed toward maximum utilization of existing capacity. The Self-Management Accord on Uniform Supply of Petrochemical and Aromatic and Olefin Products to the Market Under Equal Conditions was also drafted in 1985. We feel that this is the way that should be taken, that the producers of the raw materials and their consumers should sit down at the same table. Only in that way is it possible to overcome the crisis in the shortage of raw materials and



by-products. We are convinced that in a few years there will be a certain improvement in the supply of petrochemical raw materials from the refineries, since they will cross that critical threshold in employment of primary capacities which affords 100-percent operation of secondary installations. In addition, we should mention that in the second half of this year secondary installations will go into operation at the Naftagas Refinery in Pancevo (catalytic cracking, vis-breaking, and alkylation), which certainly will improve the situation with respect to the quantity and quality of gasoline and will improve the overall relationship between the white and black products in petroleum refining. As for natural gas, there will be some increase in domestic production with the possible inclusion of gas from the Adriatic, but here we should assume an equalization of the prices of domestic and imported gas. If imports are to be larger and more reliable, supply should be secured from at least two places, so as to avoid or at least diminish the shortages in the most critical winter months.

7045

CSO: 2800/160

ECONOMY

YUGOSLAVIA

CONSUMPTION OF OIL DERIVATIVES TO 1990

Zagreb NA : Srbo-Croatian No 7/8, Jul-Aug 85 pp 369-380

[Article by Zdravko Ivanovic, economist, secretary of the Business Community "Petrolunion," Belgrade; Ivan Maric, economist, specialist in business economics and business conditions, Energoinvest--RO Bosanski Brod Petroleum Refinery; Vojtech Brajcic, MA in economics, vice chairman of the Business Board of INA--"Commerce," Zagreb: "The Demand for Petroleum Products in Yugoslavia up to the Year 1990"]

[Excerpts] The demand for petroleum products in Yugoslavia, which over the past period increased at a rapid pace at annual rates between 4 and 11 percent right up until 1980, has in recent years been falling because of the well-known difficulties the Yugoslav economy has been involved with, so that today it is about 2 million tons less than in 1979, which was the record year.

Among other things, prices of petroleum on the world market, where no major shocks are anticipated, will have a considerable influence on demand in coming years. According to the predictions of experts, prices will range between \$27 and \$33 per barrel.

The tendency to substitute gas and coal for heating oils in Yugoslavia will continue in coming years, so that a decline in the consumption of that product group is anticipated.

Consumption of other products will grow at rates ranging from 0.4 percent (primary gasoline) to 7.1 percent (motor gasoline), with an average of 0.4 percent for all products according to the lower variant or 2 percent according to the higher one. Total petroleum product consumption in 1990 would be between 14.5 and 16 million tons.

Table 2. Petroleum Product Consumption in Yugoslavia From 1960 to 1984, in thousands of tons

Year	Gasolines	Intermediate Distillates	Residual Fuel Oil (mazut)	Primary Gasoline	Other Products	Total	Base Index	Chain Index
1960.	252.2	489.4	381.8	—	150.4	1,273.8	100	100
1961.	285.3	587.9	389.5	—	169.6	1,432.3	112	112
1962.	279.9	665.1	436.4	—	218.4	1,599.8	126	112
1963.	314.4	807.0	558.5	—	253.9	1,933.8	152	121
1964.	383.8	951.0	730.0	—	300.8	2,365.6	186	122
1965.	450.2	1,209.6	884.7	70.9	318.7	2,934.1	230	124
1966.	545.7	1,430.7	1,164.3	75.2	304.5	3,520.4	276	120
1967.	655.7	1,658.5	1,403.3	67.1	330.3	4,114.9	323	117
1968.	740.0	1,955.6	1,782.4	72.5	431.1	4,981.6	391	121
1969.	892.1	2,309.3	2,081.0	72.5	512.5	5,867.4	460	118
1970.	1,002.0	2,595.0	2,524.0	104.0	824.0	7,049.0	553	120
1971.	1,253.0	3,220.0	2,680.0	120.0	811.0	8,084.0	635	115
1972.	1,362.0	2,974.0	3,094.0	86.0	904.0	8,420.0	661	104
1973.	1,458.0	3,490.0	3,876.0	96.0	918.0	9,838.0	772	117
1974.	1,509.0	3,618.0	4,364.0	73.0	1,068.0	10,632.0	835	108
1975.	1,750.0	3,663.0	4,986.0	144.0	1,015.0	11,558.0	907	109
1976.	1,924.0	3,884.0	5,342.0	138.0	1,105.0	12,393.0	973	107
1977.	2,121.0	4,285.0	5,807.0	151.0	1,260.0	13,624.0	1,069	110
1978.	2,339.0	4,753.0	6,190.0	136.0	1,456.0	14,874.0	1,168	109
1979.	2,312.0	5,123.0	7,213.0	271.0	1,560.0	16,479.0	1,294	111
1980.	2,109.0	4,927.0	6,479.0	420.0	1,395.0	15,330.0	1,204	93
1981.	2,154.4	4,588.8	5,578.9	424.7	1,546.9	14,293.7	1,222	93
1982.	2,084.3	4,464.3	5,795.0	505.1	1,186.8	14,035.5	1,102	98
1983.	1,756.7	4,537.8	5,498.4	545.0	1,591.5	13,929.4	1,093	99
1984.	1,777.4	4,563.4	5,307.6	976.0	1,740.8	14,365.2	1,128	103

Table 3. Petroleum Product Consumption by Republics, in thousands of tons

Republics	1965	1970	1980	1981	1982	1983	1984	1984/ 1965
Bosnia-Herzegovina	305.1	810.6	1,945.3	1,792.8	1,967.3	1,708.7	1,689.3	554
Montenegro	99.7	155.1	366.5	348.1	365.6	378.3	384.6	386
Croatia	1,044.5	2,185.2	4,483.5	4,229.9	4,001.9	3,924.0	4,201.3	402
Macedonia	120.3	528.7	1,186.8	1,030.4	1,076.8	1,283.3	1,201.5	998
Slovenia	402.0	1,163.1	2,023.6	1,777.9	1,671.6	1,640.6	1,631.6	406
Serbia	962.5	2,206.3	5,324.3	5,114.6	4,952.3	4,994.5	5,256.9	546
SFRY	2,934.1	7,049.0	15,330.0	14,293.7	14,035.5	13,929.4	14,365.2	489

Table 4. Share of the Republics in Petroleum Product Consumption, in percentage

Republics	1965	1970	1980	1981	1982	1983	1984
Bosnia-Hercegovina	10.4	11.5	12.7	12.5	14.0	12.3	11.8
Montenegro	3.4	2.2	2.4	2.4	2.6	2.7	2.7
Croatia	35.6	31.0	29.3	29.6	28.5	28.2	29.2
Macedonia	4.1	7.5	7.7	7.2	7.7	9.2	8.4
Slovenia	13.7	16.5	13.2	12.5	11.9	11.8	11.3
Serbia	32.8	31.3	34.7	35.8	35.3	35.8	36.6
SFRY	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 5. Pattern of Consumption of Petroleum Products by Republics and Provinces Over the Period January-December 1983 and 1984, in thousands of tons

No	Products	Pe- riod	Total	Bosnia- Herce- govina	Slo- venia	Mace- donia	Cro- atia	Serbia Proper	Vojvo- dina	Ko- sovo	Monte- negro
1	2	3	4	5	6	7	8	9	10	11	12
1.	Motor gaso- line	1983.	1,756.7	217.7	299.7	103.9	498.0	405.7	146.2	38.7	46.8
		1984.	1,777.4	213.2	322.1	112.0	494.1	404.3	148.1	41.4	42.2
2.	Gas oils	1983.	3,056.5	449.9	301.6	263.1	689.0	792.0	375.1	92.7	93.1
		1984.	3,046.8	471.3	318.3	203.0	699.9	800.5	367.4	104.2	82.2
3.	EL and LS	1983.	1,106.0	184.6	217.0	51.6	291.4	226.5	90.9	20.4	23.6
		1984.	1,212.1	180.8	210.1	84.4	315.4	255.7	116.4	24.5	24.8
4.	Residual fuel oil	1983.	4,573.6	421.7	486.7	636.7	1,211.8	1,092.0	426.8	123.5	174.4
		1984.	4,313.3	325.8	460.1	544.1	1,114.3	1,044.7	490.5	139.7	194.1
5.	Jet fuels	1983.	278.1	12.2	17.2	5.9	128.4	92.9	0.4	5.1	16.0
		1984.	303.8	16.9	21.6	5.1	142.4	96.9	0.9	1.9	18.1
6.	Primary gasoline	1983.	545.0	1.1	11.2	56.0	84.3	0.3	392.1	—	—
		1984.	976.1	3.0	11.3	78.0	355.2	2.9	525.7	—	—
7.	Asphalt	1983.	531.1	85.6	78.6	31.2	174.7	111.8	30.1	6.9	12.2
		1984.	555.6	81.5	95.7	41.4	168.0	117.4	35.1	5.8	10.7
8.	Motorna i ind. bazna ulja, rafi- nati i destilati	1983.	342.6	71.9	50.2	19.1	78.4	92.9	19.8	5.6	4.7
		1984.	373.3	116.6	52.8	16.2	79.0	81.1	16.0	6.6	5.0
9.	LP gas	1983.	410.3	45.9	56.9	30.0	141.7	87.8	34.3	6.3	7.4
		1984.	441.6	49.8	60.0	45.0	136.8	96.7	36.9	8.4	8.0
10.	Other prod- ucts	1983.	420.8	39.1	120.0	55.1	87.0	32.1	85.5	1.5	0.5
		1984.	399.2	60.7	81.6	8.5	111.7	41.1	88.8	6.5	0.3
11.	Internal consumption	1983.	924.8	181.0	3.2	32.0	543.9	—	164.7	—	—
		1984.	994.4	173.0	1.2	66.0	592.9	—	161.3	—	—
		1983.	13,945.5	1,710.7	1,642.3	1,284.6	3,928.6	2,934.0	1,765.9	300.7	378.7
		1984.	14,393.6	1,692.6	1,634.8	1,203.7	4,209.7	2,941.3	1,987.1	339.0	385.4

Key: a. Motor and industrial blown oils, refinery products and distillates

Table 6. Ratio of Net Refinery Prices to the Retail Price of Petroleum

Year	Petro- leum--	98-Octane Motor Gasoline	D-2 Diesel Fuel	Furnace Oil, Average	Retail Price	98-Octane Motor Gasoline	D-2 Diesel Fuel	Furnace Oil, Average
1977	100	233	188	89	100	40	60	85
1978	100	210	174	84	100	31	39	72
1979	100	223	163	79	100	36	44	75
1980	100	225	157	76	100	48	53	85
1981	100	200	157	69	100	48	47	78
1982	100	198	148	74	100	46	47	92
1983	100	182	134	77	100	45	51	90
1984	100	170	127	80	100	46	52	82
1985	100	161	126	85	100	56	63	88
Deci- sion I	100	155	124	92	...	...	...	...
Deci- sion II	100	155	128	92	...	...	...	...

Table 10. Consumption of Petroleum Products and Natural Gas in Yugoslav Industry in 1981

Indicator	Thousands of Tons	Furnace Oil, thousands of tons	Natural Gas, millions of m <sup>3</sup>	Liquified Gas, thousands of tons
Industry, total	810	4,376	3,004	176
Electric power industry	217	1,155	802	0.03
Coal mining	21.5	0.3	--	--
Coal processing	--	--	--	--
Petroleum and natural gas production	7.4	--	247	--
Production of petroleum products	72.9	198	57.1	1.2
Iron ore production	8.2	11.5	--	--
Ferrous metallurgy	7.4	403	228	3.5
Production of ores of nonferrous metals	27.8	1.6	--	0.03
Production of nonfer- rous metals	12.1	154	241	4.0
Processing of nonfer- rous metals	3.6	13.3	0.4	1.7
Production of nonmetal- lic minerals	16.4	10.1	1.8	1.2
Processing of nonmetal- lic minerals	57.7	139	179	97.7
Metal manufacturing in- dustry	45.6	46.1	57.2	20.6



Table 10 (continued)

Indicator	Thousands of Tons	Furnace Oil, thousands of tons	Natural Gas, millions of m <sup>3</sup>	Liquified Gas, thousands of tons
Machinebuilding	13.6	10.5	7.8	1.6
Production of transportation equipment	13.0	31.8	8.2	1.8
Shipbuilding	3.6	1.3	0.04	0.1
Production of power machines and electrical appliances	11.9	27.8	6.9	4.4
Production of heavy chemicals	12.5	185	377	4.7
Chemical manufacturing	20.2	46.1	35.4	0.8
Production of stone, gravel, and sand	25.9	8.6	0.1	0.1
Production of building materials	37.7	881	490	17.9
Production of lumber and wood sheets	6.7	56.1	11.1	--
Production of finished wood products	10.5	28.6	3.1	0.4
Paper production and manufacturing	4.6	111	102	--
Production of textile yarns and fabrics	8.9	140	25.4	0.7
Production of finished textile products	18.1	74.2	16.6	0.2
Production of leather and fur	0.5	35.2	2.4	--
Production of leather footwear and clothing accessories	2.0	5.2	0.8	0.04
Processing of rubber	1.4	33.4	15.3	--
Production of processed foods	89.4	415	62.2	12.9

Source: "Statisticki godisnjak" [Statistical Yearbook], Federal Bureau of Statistics, Belgrade, 1981, p 271.

Table 11. Petroleum Product Consumption in Yugoslavia up to the Year 1990, in thousands of tons

Lower Variant

Article	1984.	1985.	1986.	1987.	1988.	1989.	1990.	Indeks 90/84	Ø stope rasta
Primarni benzin (3)	976	980	984	988	992	996	1.000	102.5	0.4
Sp. ben. i WS (4)	56	59	62	65	68	71	73	130.4	4.5
Motorni benzin (5)	1.777	1.903	2.038	2.183	2.338	2.505	2.687	151.2	7.1
Mlazno gorivo (6)	304	319	335	352	370	388	408	134.0	5.0
Dizelsko gorivo (7)	3.047	3.138	3.232	3.329	3.429	3.532	3.637	119.0	3.0
EL i sp. (8)	1.212	1.107	1.011	923	843	770	700	— 57.8	—
Mazut (9)	5.107	4.898	4.697	4.504	4.319	4.140	4.000	— 78.3	—
M. ulje (10)	105	110	115	120	125	131	137	130.5	4.5
Maziva ulja i masti (11)	268	280	293	306	320	334	349	130.2	4.5
Ukapljeni plin (12)	442	460	478	497	517	538	560	126.7	4.0
Bitumen (13)	556	557	558	559	560	560	560	—	—
Ostali derivati (14)	344	358	372	387	402	418	435	126.5	4.0
Total	14.194	14.169	14.175	14.213	14.283	14.383	14.546	102.5	0.4

Table 12

Higher Variant

Primarni benzin (3)	976	955	1.014	1.034	1.054	1.075	1.100	112.7	1.9
Sp. ben. i WS (4)	56	59	62	65	68	71	73	130.4	4.5
Motorni benzin (5)	1.777	1.903	2.038	2.183	2.338	2.504	2.682	150.9	7.1
Mlazno gorivo (6)	304	319	335	352	370	388	408	134.0	5.0
Dizelsko gorivo (7)	3.047	3.169	3.296	3.428	3.565	3.708	3.856	126.6	4.0
EL i sp. (8)	1.212	1.193	1.174	1.155	1.136	1.118	1.100	90.8	—
Mazut (9)	5.107	5.036	4.965	4.895	4.826	4.759	4.700	92.0	—
Mot. ulja (10)	105	110	116	122	128	135	142	135.0	5.1
Maziva ulja i masti (11)	268	280	293	306	320	334	349	130.2	4.5
Ukapljeni plin (12)	442	460	478	497	517	538	560	126.7	4.0
Bitumen (13)	556	557	558	559	560	560	560	—	0
Ostali derivati (14)	344	338	372	387	402	418	435	126.5	4.0
Total	14.194	14.439	14.701	14.983	15.284	15.608	15.965	112.5	2.0

Key to Tables 11 and 12:

- |  |                                |
|--|--------------------------------|
| 1. Index number 90/84                      | 9. Furnace oil                 |
| 2. Average growth rate                     | 10. Motor oil                  |
| 3. Primary gasoline                        | 11. Lubricant oils and greases |
| 4. Special gasolines and WS (white spirit) | 12. Liquified gas              |
| 5. Motor gasoline                          | 13. Asphalt                    |
| 6. Jet fuel                                | 14. Other products             |
| 7. Diesel fuel                             |                                |
| 8. EL and special                          |                                |

7045

CSO: 2800/161

20 March 1986

## POLITICS

## INTERNATIONAL AFFAIRS

## ROMANIAN PAPERS MARK BUDAPEST'S LIBERATION ANNIVERSARY

AU131726 Bucharest AGERPRES in English 1527 GMT 13 Feb 86

[Text] Bucharest, 13 Feb (AGERPRES)--In articles and travel notes the Romanian newspapers of 13 February mark 41 years since the liberation of Hungary's capital city, Budapest, from fascist occupation through the joint fight of the Romanian and Soviet soldiers.

An extensive article dwelling on Romania's participation in Hungary's liberation from fascist domination contributed in SCINTEIA TINERETULUI by Col G. Tudor shows that in terms of length and severity of fighting of forces and equipment as well as of achievements Romania's contribution to the liberation of Hungary is impressive. The Romanian Army fought in Hungary from 24 September 1944 to 15 January 1945 with over 200,000 soldiers, NCO's and officers, large operative and tactical units and various services. Next the article refers to the fights of the Seventh Army Corps of the First Romanian Army made up of over 36,000 soldiers who, alongside the troops of the Second Ukrainian Front fought around and in Budapest. During the fighting in Budapest as well as throughout the anti-fascist war the Romanian soldiers, the commands of the Romanian Army showed particular care for the life of the civilian population, helped the inhabitants with food, medicines and clothing, avoided to destroy art monuments and cultural establishments.

In an article headlined "Valiant Deeds, Unforgettable Deeds" contributed in ROMANIA LIBERA, Th. Serbanescu presents Budapest of today, its place and role in the economic, social and cultural life of Socialist Hungary. Next he highlights the contribution of the Romanian Army to the liberation of the town from fascist domination 41 years ago.

The 19 memorials and funerary monuments erected to the memory of the Romanian soldiers that sacrificed their lives for the liberation of Budapest as well as the tombs in 311 Hungarian localities stand proof of the homage paid to the Romanian soldiers.

The celebration of Budapest's liberation, ROMANIA LIBERA writes, is the celebration of a town to which we are linked by feelings of solidarity for the Hungarian people and by the sacrifice of the 11,000 Romanian soldiers and officers who died in the fights against the fascist occupants.

Marking the same event, SCINTEIA prints travel notes by publicist George-Radu Chirovici headlined "Strolling Budapest." The Romanian journalist highlights the economic and social development of the Hungarian capital city in the years of socialism. Walking through the town he stops in places recalling the fighting and sacrifices of the Romanian soldiers: the Central Post Office, Keleti Railway Station, the hippodrome, etc.

For Budapest to be what it is today, in January 1945 history also recorded the sacrifice of the 11,000 Romanian soldiers, the Romanian journalist writes.

/9604

CSO: 2020/92

POLITICS

ALBANIA

CARCANI, MARKO, THOMAI AT FIER PARTY PLENUM

AU200856 Tirana ATA in English 0730 GMT 20 Feb 86

[Excerpt] Tirana, 20 Feb (ATA)—The meeting of the party activists in the Fier District was held. It discussed the generalisation of the experience accumulated and the problems arising from the implementation of the decisions of the 13th plenum of the Central Committee of the party on the realisation of agricultural tasks in 1986 on a frontal scale, with perfected management and organisation and a high spirit of action.

The meeting was attended also by the member of the Political Bureau of the Central Committee of the party and chairman of the Council of Ministers Comrade Adil Carcani, the member of the Political Bureau of the Central Committee of the party and vice president of the Presidium of the People's Assembly Comrade Rita Marko, the minister of agriculture, Themie Thomai and other comrades.

The report under the topic "the frontal realisation of the tasks in 1986 calls for organized actions, scientific discipline, constant and allround supervision" and the contributions underlined the achievements attained over January-February 15 in the field of economy and in agriculture in particular, in implementation of the important tasks set by the 13th plenum of the CC of the party. It was also emphasized the mobilisation and readiness of the working people to launch actions for the solution of the major tasks set in this first year of the 8th 5-year plan. By turning the actions into a method of work for the frontal realisation of the production tasks, as Comrade Ramiz Alia instructed during the visit in Mirdita District, it was stressed in the meeting, a number of actions which will provide a quick solution to the urgent agricultural problems, have been organized. Representatives of other districts also brought the experience gained from the actions launched in their own districts.

Comrade Adil Carcani, too, spoke at the meeting. After assessing the proceedings of the meeting of the party activists, he congratulated the party organisation of Fier District on behalf of the Central Committee of the party, the Council of Ministers and Comrade Ramiz Alia personally for the beginning of an organized and well run work for the solution of



many economic problems through the method of actions. Such an action, he said, is also that on the reconstruction of the Vjosa-Levan-Fier big irrigation canal which will enhance the area under irrigation by some 10,500 hectares.

After the meeting, Comrade Adil Carcani went to see the work being made in the youth action for the reconstruction of the Vjosa-Levan-Fier irrigation canal. There he got acquainted with the objectives of the action as well as with the volume of work carried out by the youth, which has concluded the reconstruction work in 80 percent of the canal's length within 2 weeks. In the rally organized here, Comrade Adil Carcani congratulated the youth on their readiness to participate in this action, responding in this way to the call of the party. He also commended the youth on their intensive work and achievements in meeting all their targets, such as carrying out a volume of work planned for 3 months in 10 days' time, despite the difficulties of weather and terrain.

/9604

CSO: 2020/91

POLITICS

ALBANIA

WOMEN'S UNION COUNCIL PLENUM CONVENED

AU251021 Tirana ATA in English 0730 GMT 25 Feb 86

[Text] Tirana, 25 Feb (ATA)--The plenum of the General Council of the WUA [Women's Union of Albania] was convened in Tirana on 24 February. It discussed the tasks set to the Women's Union organizations for the frontal realisation of the planned tasks, in implementation of the decisions of the 13th plenum of the Central Committee of the party.

The plenum was declared open by the president of the WUA General Council, Lunturi Rexha.

The report delivered by the secretary of the WUA General Council, Leonara Caro, and the contributions point out the achievements attained by the Women's Union organisations in the attainment of the objectives of the movement "Standard bearers in implementation of the teachings of Comrade Enver Hoxha." Likewise, the speakers summed up the good experience of many collectives, which are mainly composed of women and girls, which last year realised the planned tasks in all the economic and financial indices. Bearing in mind the tasks set by the 13th plenum of the CC of the party as well as the very precious instructions Comrade Ramiz Alia gave during his visit to Mirdite District, the plenum laid down concrete tasks so that the WUA respond better to the drive and mobilisation of the women for the rhythmical fulfillment of the planned tasks in all the sectors of the economy.

The plenum was also addressed by the official of the apparatus of the Central Committee of the party, Kostaq Lazri, who underlined among others the importance of putting into practice the good experience the women gained in overcoming the difficulties of last year.

The plenum also defined the new undertakings to be organised by the Women's Union organisations in the jubilee year of the 45th anniversary of the founding of the party and its 9th congress.

/9604

CSO: 2020/91

POLITICS

ALBANIA

YOUTH UNION PLENUM CONVENED

AU190944 Tirana ATA in English 0730 GMT 19 Feb 86

[Text] Tirana, 19 Feb (ATA)--The plenum of the Central Committee of the Lyua [Albanian union of working youth], was held in one of the halls of the Museum of National History on 18 February. In the context of the very valuable instructions that Comrade Ramiz Alia gave in Mirdite district, it discussed on the tasks that the youth organisations and forums have to carry out in order to have a permanent readiness, enthusiasm and mobilisation among the youths, to enhance its militant spirit in the construction of Milot-Rreshen-Klos railway line.

Present at the plenum were also the first secretaries of the Lyua committee of the districts and military units, guests from the central mass organisations and departments, etc.

The plenum was declared open by the first secretary of the Central Committee of the Lyua Mehmet Elezi.

The report held by the secretary of the Central Committee of the Lyua Dese Jako and the contributions to the discussion pointed out the great joy and enthusiasm that the decision of the Central Committee of the party and government for the construction of Milot-Rreshen-Klos railway line by the youth has aroused among the whole youth on our country.

The plenum decided unanimously that the track of the first part of the Milot-Rreshen railway will be completed ahead of the time limit. Moreover, up to 27 April the youth will complete the construction of all the reservoirs in the pastures, planned for this year, whereas the annual plan for the opening of virgin land will be realised within this month. Besides, the opening of the canals of the Helmes reservoir, another national undertaking of the youth, will be over 1 year ahead of time. Another national undertaking of the youth will be the terraces and the plantations of fruit trees to be created in the hills of Leskovik.

/9604

CSO: 2020/91

20 March 1986

## POLITICS

## ALBANIA

## YOUTH PAPER ON INFLUENCE OF 'DECADENT' MUSIC

AU102030 Tirana ZERI I RINISE in Albanian 5 Feb 86 p 3

[Article by Arben Sinoimeri: "Why Did Lindita Leave the Birthday Party?"]

[Text] A few days ago the young people of an organization at one of the general secondary schools in Tirana met together at the home of a friend to celebrate her birthday.

At the appointed time, everybody gathered together at the home of their friend. In the living room, they greeted each other, wished their friend many happy returns, and also congratulated her parents, who stayed a little while and then politely took their leave.

The afternoon went on; they laughed and told jokes, teased each other, and sang. Then one of the boys put a cassette in the tape recorder and pressed the button. The sounds of an incomprehensible song in jazz rhythm filled the room. The boy who had started the cassette began to explain which group this was, and which group this other one was, all very proud of the "culture" he had mastered. Lindita interrupted and said, "Don't you have any cassettes of our songs, or of orchestral music by a foreign composer, which we too could enjoy?" But Lindita's request hung in the air and received no reply. And, as if in fun, one of the girls whose thinking ran along the same lines as the "cultured" boy said, "Put in a cassette of that great singer F..." Lindita wished them goodnight and left, unhappy. Somebody in the room tried to calm the situation, saying, "Ah well, she's still just a peasant." The next day two or three of the friends who had joined in the birthday party behaved rather coldly to Lindita, and one of them asked if she meant to make the matter a problem for the organization.

We do not mention this matter simply out of interest, but to concentrate a while upon a problem which is apparent here and there among our young people of school age, especially in Tirana. Let us start by saying that the party and the leading youth forums themselves encourage, stimulate, and indeed demand more entertainment activities for young people.

These activities could be broadened, and could also simply consist of small groups with tape recorders or whatever equipment comes to hand. For the sake of the self-motivation of our young people, there have been

cases where the excessive tutelage of parents and teachers, who imagine that parties "will spoil our young people," has been criticized. These demands have also been made, bearing in mind the high political and ideological level of our young people, who really do care that their activities should be as healthy in content and as varied in form as possible. These demands remain, because our young people are pure and of good character. Isolated instances, such as we mentioned at the beginning of this article, do not compromise their activities. Mature young people boycott such activities, as did Lindita, but they also stand up for their opinions, as Lindita did not.

So what is going on? There are young people like the boy who called Lindita a "peasant," who behave as if they were the acme of human culture. They have a banal conception of culture. Their "culture" consists of knowing the names of a few decadent singers, and their snobbish flaunting of these names is a complete sham, which has nothing to do with the true culture of our people, who admire things beautiful and progressive both at home and abroad. It is a well-known fact that there are dozens of books translated from contemporary world literature in young people's hands. The cinemas, television, radio, all perform and broadcast films, music, sports events, etc. Beauty and progressive ideas are certainly appreciated. It is also a well-known fact that our young people despise decadent, corrupting, and devitalizing art. Recognizing this, as the party has insisted, we have no reason to hide our heads like ostriches when we come across isolated cases when a few pampered young people obtain the odd cassette of decadent music from their parents.

In a discussion with some young people of the "Ismail Qemali" school, this problem was dealt with, but not with proper seriousness.

Why does the youth organization of this or any other school bow to the "authority" of parents of the kind who tolerate "pseudo-culture" instead of culture in their children?! Why does it simply stand by and watch certain alien manifestations in the dress and outward appearance of these young people who simply vegetate in the shadow of their parents? Why does it not summon the parents of these young people and confront them with the moral responsibility for their attitudes? Of course, the organization discusses these things, but its position often remains a passive one. This attitude corresponds with that of some managers and party cadres. When we raised this topic at the "Samir Frasheri" school, the comrades in charge of party work there told us that they knew nothing, and had seen nothing, though in fact these alien manifestations existed, although on a small scale. But it is better to notice them and nip them in the bud than to wait until they cause concern.

The youth organization should first of all keep ablaze the struggle against these alien manifestations, and strike them with force and strong arguments. It will do this, not by surrendering its activities, as some people mistakenly think, but by intensifying them and improving their quality,



strengthening their healthy content, and raising the quality of the work of the organization in every way. Against this background, "pseudocultured" young people will emerge more quickly into the light of day, and come to understand that they have been swimming in mud and not in clear water.

The Youth Committee of Tirana District has several times set out to struggle against these phenomena. But its organization has been poor and spasmodic, and, most importantly, has lacked decisive strength.

/9604

CSO: 2020/91

POLITICS

ALBANIA

WELL-KNOWN WRITER CRITICIZES SCHOOL TEXTS

AU112117 Tirana ZERI I POPULLIT in Albanian 9 Feb 86 p 3

[Article by Ismail Kadare: "On Literary Reading Texts in the Schools"]

[Excerpts] The literary reading texts in eight grade primary schools and the literary anthologies in secondary schools have been under discussion for years, less in the press than in such other forums as symposia, discussion groups, party organizations, and the League of Writers and Artists.

In party documents, in the continual injunctions of Comrade Enver Hoxha, and the recent emphases of the AWP first secretary, Ramiz Alia, on higher standards and better effectiveness in all areas of life, there have been conspicuous demands for a continual and ceaseless improvement in culture. For this to happen, we need to know the present situation and be aware of our successes and failures.

What is the situation regarding the literary texts in question? Let us say frankly that it is not good and must be changed as soon as possible.

Let us look specifically at the texts under discussion. In the readers for the fourth, fifth and sixth grades, their low level is immediately apparent. In jumbled order, without any criterion of selection, appear famous and obscure authors, experienced and dilettante, modern and 19th century, Albanian and foreign. As a consequence, it will be obvious that the texts selected are of very different qualities. So, alongside such famous writers as Sh. Musaraj, J. Xoxe, Dh. Shuteriqi, D. Agolli and others, the pupil reads and learns from other writers (may I be forgiven for mentioning the names of those who, through no fault of their own, simply appear somewhere where they should not) such as A. Bishqemi, F. Malo, I. Dedi, Q. Batalli, R. Pasmaciu, K. Leli, K. Kucuku, B. Resuli, K. Koci, A. Eltari, etc., etc. Somewhere on page 111 between K. Leli and I. Dedi there appears for the first time a distinguished writer from the literature of our part, Sami Frasheri, but since his name is written only with an initial (S. Frasheri), and there is no kind of additional note, and since he turns up among young modern writers, the pupil may possibly take no notice of the great writer of the national renaissance. Naim Frasheri and Cajupi turn up for the first time on page 135 (the whole

book has 168 pages), for some reason stuck between Gj. Zheji and K. Koci. Meanwhile N. Krupskaya appears as the only foreign writer, between the folk song "Mother Calls, Boys, Where Are You?", and B. Resuli, and without any indication that she was Lenin's wife.

The fifth grade reader is arranged in the same way and is of the same low level. It begins with a so-called folk song, which is in reality nothing of the kind, and has not a trace of folk inspiration: "O party you are a great mountain/ Of you my heart does sing./ You stand fast to Marxism/ So never err in anything." (As we will see later, some of these so-called folk songs are the work of feeble literateurs or workers in centers of culture, and have nothing to do with the art of the people.)

Such texts, where everything is muddled, supposedly for the sake of fidelity to the syllabus, can only create confusion in the minds of pupils, and damage their taste, and will eventually lead to their complete disillusion with literature.

In the seventh and eighth grade texts there is an effort to avoid muddle and create some sort of system. This is no doubt a step forward, but it would have been something to commend if other apparent weaknesses had been avoided. The main defect is a false picture of folk poetry. Alongside true poetry, there is banal versifying of this kind: "through our deeds we increase stature/ Forging steel musculature." It is intolerable, in a country distinguished for its great treasury of oral poetry, that our schoolchildren should be given such verses.

It is a good idea to group separately writers of the socialist era, writers of the past, and foreign writers, but within these groups there are also weaknesses, a mixture of the outstanding with the mediocre, inexcusable omissions, and the substitution of worthless writers for great ones, etc.

Now the pupil is 14 or 15 years old, at one of the most enthusiastic ages for reading. He has a more or less confused, kaleidoscopic idea of modern Albanian literature, which he has swallowed whole, grain and chaff together. He also has a truncated concept of tradition. He knows nothing of the 400 years of old Albanian literature--and does not even know the names of Barleti and Buzuku. Of the great treasure-house of folk literature he knows virtually nothing. He does not know the famous ballads, those rare pearls which our people have given to world literature, and which are eminently suitable for any anthology. As far as world literature is concerned, the editor's devotion to the commonplace and mediocre is such that its effect is noticeable here too. Although the pupil has been introduced to 25 foreign writers, he still does not know Homer, Aeschylus, Dante, Cervantes, Shakespeare, Goethe, and Tolstoy. These omissions are truly amazing, because several of these geniuses, such as Homer and Cervantes, are suitable for any school reader, and for ages our tradition had not excluded them from the school curriculum.

For the reasons mentioned above we think that a review of these textbooks is an urgent need and that it will not be so difficult as it might appear. The main thing is that the organs concerned with this work, especially the Ministry of Education and Culture, the publishing house for school books, and the authors who will be undertaking the job, understand that this is an extraordinarily serious matter, on whose success many other things depend. It is important to understand that the literature which the pupil learns in school is not something temporary and ephemeral which will be replaced later by another literature. It is true that the pupils' knowledge will be enriched later and will be augmented and supplemented but the foundation will not change.

/9604

CSO: 2020/91

POLITICS

ALBANIA

BRIEFS

MALILE RECEIVES BELGIAN ENVOY--Tirana, 26 Feb (ATA)--The Minister of Foreign Affairs of the People's Socialist Republic of Albania Reis Malile received the Ambassador Extraordinary and Plenipotentiary of the Kingdom of Belgium to the People's Socialist Republic of Albania, Jan R. Blancquaert concerning the forthcoming presentation of the credentials to the president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania. [Text] [Tirana ATA in English 0730 GMT 26 Feb 86] /9604

ALIA GREETES GUYANAN PRESIDENT--Tirana, 23 Feb (ATA)--The president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania Comrade Ramiz Alia sent the following message of greetings to the president of the Cooperative Republic of Guyana, Hugh Desmond Hoyte: "On the occasion of your national day, I have the pleasure that in the name of the Albanian people, the Presidium of the People's Assembly and in my name, to convey to you cordial greetings and to the people of Guyana the best wishes for wellbeing and prosperity. I express the conviction that the relation of friendship between our two countries will develop further in the future in the interest of our two peoples." [Text] [Tirana ATA in English 0910 GMT 23 Feb 86] /9604

CSO: 2020/91



POLITICS

CZECHOSLOVAKIA

PALESTINIAN OFFICIAL DENOUNCES AMMAN ACCORD

AU181448 Bratislava PRAVDA in Slovak 15 Feb 85 p 5

[CTK Report: "The Amman Accord Is Concession to Imperialist Forces; Restoring the Unity of Palestinian Ranks"]

[Text] Damascus (CTK Correspondent)--We regard the current situation in the Palestinian movement to be ripe for a change and have therefore come forward with an initiative aimed at restoring the unity of the Palestinian ranks. This is what Yasir Adib 'Abd Rabbuh, deputy general secretary of the Democratic Front for the Liberation of Palestine, said in an interview with a CTK correspondent in Damascus yesterday [14 February].

The so-called new political strategy of a part of the Palestinian leadership rested in the notion that it is possible to solve the Palestinian problem on the basis of cooperation with imperialist forces, which would be willing--at the price of concessions on the part of the Palestinian movement--to force Zionism to a solution acceptable to the Palestinians, Yasir Adib 'Abd Rabbuh said.

That strategy has led to a split in the Palestinian leadership and is, in substance, incorrect, because imperialism and Zionism are allies.

The events in the year that has elapsed since the signing of the so-called Amman accord between the PLO and Jordan clearly showed that the policy expressed in that accord has no chance of bringing about a genuine resolution of the Palestinian question.

The Democratic Front for the Liberation of Palestine and other Palestinian formations [zlozky] now point out that there still exists the alternative of a united Palestinian national front to the policy of the "American solution," and call for the restoration of the movement's unity on the basis of abrogation of the Amman accord. Only such unity can bring the Palestinians the fulfillment of their objectives.

/12232  
CSO: 2400/198

POLITICS

CZECHOSLOVAKIA

CONFERENCE DISCUSSES DEVELOPMENT OF AIR FORCE PREPAREDNESS

LD230201 Prague Television Service in Czech and Slovak 1830 GMT 22 Feb 86

[No video available]

[Text] Even at this moment, the air forces are ready for an immediate take-off at predetermined airports. The process of strengthening further the high degree of readiness of all sections of the air force of the Czechoslovak People's Army requires, however, this very aspect of the responsible service to overcome with greater determination old habits and inertia and to achieve ever higher qualitative indicators in mastering new military hardware.

It was on these key issues of the everyday activity that delegates to the conference of a group [SVAZ] of communists focused their deliberations today. They stressed, among other things the demands made by the accelerating pace of scientific and technological development, accompanied by changes in the conduct of combat corps, pilots, and ground specialists. The implementation of the new tasks also calls for enterprising participation by every member of the group in applying new, creative attitudes and carrying out changes in work style and methods. What does this mean specifically for you?

[Unidentified speaker] The number of experienced pilots in the unit is diminishing and so the burden of training of the youngest generation rests on the generation of us who are in our thirties. In this we see our party responsibility toward our younger comrades who arrive from the training school very well prepared politically; but a fighter pilot trained to cope with all sorts of weather conditions both day and night can only be made at a combat unit.

To raise the effectiveness of air force training, we must make far better use of each training flight, coupled with a thorough analysis of the activity after landing.

/12232

CSO: 2400/198

20 March 1986

## POLITICS

## CZECHOSLOVAKIA

## LUCAN ADDRESSES WORLD CONFERENCE ON BROADCASTING IN PRAGUE

LD181557 Prague Domestic Service in Czech 1430 GMT 18 Feb 86

[Excerpts] The fifth world conference of radio broadcasting and television unions opened in Prague today to discuss broadening international cooperation in program exchanges. Matej Lucan, the head of a federal government's delegation and the federal vice premier, appreciated in his speech the fact that the CSSR has become the host to the delegates of the conference.

We desire, Matej Lucan went on, that space serves to promote mutually fruitful exchange of information, and broadcasts both cultural and sport programs. He went on to say that the progress in both the communication and television technology which is also spreading to an unprecedented degree also to space, would be substantially faster if the sources expended on armaments and space military systems were devoted on the development of telecommunication satellites, on a better transmission of signals and the reception of them. It is a well-known truth that when weapons are silent the arts speak. Man can thus create new values, live without fear of tomorrow. He voiced the conviction that the meeting will discuss these issues. At the same time he appreciated its intention to contribute to making the work of every radio and television station easier. This will enable the largest possible number of people the world over to know in a good time what is happening in its individual parts, to make the right decision and to be present when the interest of progress requires it.

Matej Lucan gave assurances that socialist Czechoslovakia, will spare no effort to give its support to every endeavor which influences in a progressive way the thinking of man and which leads to a resolute struggle to tackle the difficult problems facing the present day world.

/12232

CSO: 2400/198

POLITICS

CZECHOSLOVAKIA

BRIEFS

**POLICE ACADEMY DEPARTMENT MOVED--**Bratislava (CTK)--Within the framework of setting up a new and more effective system of education and upbringing within the CSSR Ministry of Interior, a second department of the Advanced School of the National Security Corps began to operate in Bratislava yesterday. It is the Department for the Protection of State Borders, which moved here from Holesov in Moravia and joins the Department of Investigations, already operating in Bratislava. On this occasion, a service-political aktiv was held at the school yesterday, which was attended by Ladislav Sadovsky and Jozef Sevc, heads of CPSL Central Committee departments, and other guests. In a festive speech, Major General Alojz Lorenc, CSSR first deputy minister of interior, spoke about the need to constantly improve the political and professional training of socialists in the needs of the National Security Corps, the Border Guards, and the troops of the CSSR Ministry of Interior in order to permit these highly educated members of the socialist security apparatus to fulfill all the exacting tasks of the CPCZ's security policy. [CTK Report: "New Department in Bratislava"] [Text] [Bratislava PRAVDA in Slovak 11 Feb 86 p 2 AU] /12232

**HUSAK RECEIVES BRAZILIAN DELEGATION--**Gustav Husak, president of the republic, has received a delegation of the Brazilian Congress headed by its President Jose Fragelli, which is on an official visit to Czechoslovakia, at Prague Castle today in the presence of Alois Indra, chairman of the Federal Assembly. In a friendly talk it was noted that although there is a long tradition of mutual relations between Czechoslovakia and Brazil, their current level does not correspond to the possibilities for needs of both countries. Both sides therefore expressed the wish to extend and strengthen mutual relations and cooperation in all spheres. This is the aim served by the present visit of the Brazilian senators, which means not only the renewal of official parliamentary contacts, but also promotes a better understanding of the lives of both countries' peoples. In an exchange of views on current international developments, it was stressed that both countries have a close or similar position on a number of international issues. [Text] [Prague Domestic Service in Czech and Slovak 1300 GMT 20 Feb 86 LD] /12232

**COLOTKA INSTALLS BRATISLAVA MAYOR--**At an extraordinary meeting of the National Committee of Bratislava today, its deputies elected Stefan Bartak as the new city mayor. The proposal to release Ladislav Martinak from that office at his own request in connection with his state of health and retirement was submitted by Gejza Slapka, member of the CPSL Central Committee presidium, chief secretary of the Bratislava City Party Committee, and chairman of the National Front

City Committee. At the same time, he submitted to the deputies a joint proposal of the city bodies of the CPSL and the National Front to elect Stefan Bartak to the office. The new mayor of Bratislava was installed in his office by Peter Colotka, member of the CPCZ Central Committee Presidium and Slovak premier. He paid tribute to the years-long creative activity and meritorious work of Ladislav Martinak in state and party bodies. At the same time, he voiced the conviction that the new mayor, Stefan Bartak, will make use of the existing experiences for the fulfillment of the tasks facing the Slovak capital. In recognition of his merit in promoting the development of the city, Stefan Bartak presented to Ladislav Martinak a prize of the National Committee of Bratislava. [Text] [Prague Domestic Service in Czech and Slovak 1700 GMT 21 Feb 86 LD] /12232

SENTENCING FOR ATTEMPTED ESCAPE--The Municipal Court in Bratislava today, after a 4-day session, sentenced Jozef Rohac and Ernest Recka, who last September, by taking a hostage and firing at border guards and National Security Corps members, attempted a forced crossing of the Czechoslovak state border into Austria. The two accused were found guilty of committing the crime of terrorism according to Paragraph 93 of the Criminal Code. Josef Rohac was sentenced to 13 years--the sentences will be carried out in the third degree of severity. The two accused were also sentenced to 3 years of protective supervision. During the main trial, Jozef Rohac and Ernest Recka, together with the rest of the accused, were answering for other criminal activity--theft, deception, parasitism, (?forgery) and unjustified leaving of the territory of the republic, which they had committed before in the district of Levica and in other places in Czechoslovakia. [Text] [Prague Domestic Service in Czech and Slovak 1900 GMT 24 Feb 86 LD] /12232

CSO: 2400/198



POLITICS

GERMAN DEMOCRATIC REPUBLIC

REFUGEE FUNNELING TO DENMARK REPORTED DIMINISHING

Copenhagen BERLINGSKE TIDENDE in Danish 7 Feb 86 p 6

[Article by Anders Wiig: "Effective Agreement With the GDR: the Stream of Refugees in Drying Up"]

[Text] The doors have actually been closed for refugee funneling through the German Democratic Republic to Denmark, the Danish Aliens Directorate states. In January, 211 refugees arrived in Denmark, as against 748 in December.

The stream of refugees into Denmark has decreased sharply following the implementation of the agreement with the German Democratic Republic to put a stop to refugee funneling to Denmark and Sweden. Now, hardly any refugees arrive in Denmark via the German Democratic Republic. In January, the number of so-called spontaneous refugees was half the number of January 1985. However, the situation is not nearly the same as the one prevailing before the flow of refugees into Denmark really gathered speed in 1984.

In the entire month of January, 211 refugees sought asylum in Denmark as against 427 in January of 1985. The drop from the last few months of 1985 is even sharper. In January of this year, the number of refugees seeking asylum in Denmark was only 28 percent of the number in December of 1985. The Danish Aliens Directorate has reported that 1281 refugees arrived in October of 1985, 1140 in November of 1985 and 748 in December of 1985.

There May Be Other Causes

The sharp decline to 211 in January may, however, have other causes than the stoppage to the funneling through the German Democratic Republic in that the numbers of refugees arriving during the winter months of 1984 and 1985 were also rather low.

In January and February of 1985, 427 and 342, respectively, arrived as against the far larger numbers during the summer and fall months. However, back in 1984, the figures for the early months of the year were quite different--53 in January and 39 in February.

## Flow Via GDR Ceased

The Aliens Directorate and the National Police dare not make any predictions for 1986. However, Frede Brandt Jensen, assistant public prosecutor of the Aliens Directorate, says that the flow from the German Democratic Republic has now stopped. "At the moment, no further refugees arrive via that country. An occasional refugee seeking asylum in Denmark still arrives at Gedser but that has got no bearing on the statistics. Since the stoppage of the funneling through the German Democratic Republic, the composition of the nationalities of those seeking asylum has also changed," says Brandt Jensen. In 1985, most of the refugees seeking asylum in Denmark were Lebanese, Iranians and Poles. In January of 1986, the largest numbers came from Poland, Sri Lanka, with Iran taking up the third place. Refugees from Africa, including Ethiopia, now also count in the statistics. Most of the Iranians now entering the country are children being united with their refugee parents. This is the legal right of the children under the Danish Aliens Law. The Danish authorities do not know how these children escape from their home land which their parents left as persecuted refugees.

It was, to a large extent, Lebanese and Iranians who arrived in Denmark via the German Democratic Republic. In late 1985, the Danish and Swedish Ministries of Foreign Affairs entered into an agreement with the German Democratic Republic under which refugees seeking asylum in Denmark and Sweden would not be allowed to continue to Denmark and Sweden from the German Democratic Republic without entry permits obtained beforehand from a diplomatic representation. The result is that many refugees seeking asylum end up in East Berlin, from where they trickle into West Berlin and West Germany. Especially in West Berlin, which has got no actual entry control, the refugee problems pile up for the local government, the senate. An agreement limiting the number of refugees arriving in West Germany from the German Democratic Republic was recently concluded, but its impact on West Berlin, which has not been recognized by the German Democratic Republic as belonging to the Federal Republic, has not yet been clarified.

## Most Refugees Arrived at Kastrup Airport

In January, most of the 211 refugees seeking asylum in Denmark arrived by air directly to Kastrup, by regular liner from Poland, and as far as many refugees from Sri Lanka were concerned, via the border in North Schleswig. In January, 40 arrived via Kastrup Airport. A somewhat larger number now tends to arrive via Kastrup Airport, says Police Superintendent Torben Juul Andersen. However, it is still too early to establish whether those seeking asylum in Denmark are finding new roads of escape after the closing of the doors of the German Democratic Republic to Denmark. Kastrup Airport and the North Schleswig frontier have far from taken over the position of the Warnemunde-Gedser route as port of entry for refugees from the Middle East and the Far East.

7262

CSO: 3613/71

POLITICS

GERMAN DEMOCRATIC REPUBLIC

FRG EDITOR ASSESSES CULTURAL AGREEMENT, DISAGREEMENT

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 8 Feb 86 p 10

[Article by Dr Peter Jochen Winters, head of Berlin editorial staff, dated Berlin, in February: "The War's Aftermath and Cultural Agreement-- The GDR No Longer Intends to Boycott the Prussian Cultural Properties Foundation"]

[Text] A "joint protocol" is attached to the inner-German cultural agreement concluded between Bonn and East Berlin which has been submitted to the Laender for their approval. "The differing points of view regarding the cultural properties relocated in wartime remain unresolved," the protocol states. "The parties to the agreement announce their readiness to resolve issues connected with cultural properties relocated in wartime to the best of their ability." The first sentence above leaves the question of ownership of the former Prussian cultural properties out of consideration. In the FRG the "law on the establishment of a 'Prussian Cultural Properties' foundation and the transfer of assets of former Prussia to the foundation" remains in effect. The law, passed in 1957, transferred the property and other cultural assets of Prussia to the 'Prussian Cultural Properties' foundation. These include above all archive, library and museum holdings as well as other fine art and science collections, including furnishings. In the GDR, on the other hand, the 1978 "Directive Regarding the State Museum Fund of the GDR" stipulates that all museum holdings and collections which were originally situated on the present territory of the GDR and which are no longer situated there due to relocation or for some other reason shall be a part of the state museum fund.

During the first stage of the negotiations on the cultural agreement which began in November 1973, the GDR demanded that the FRG return those objects of art belonging to Prussia which had been situated on what is now GDR soil prior to 1945, particularly on the museum island in East Berlin, and that talks on cultural cooperation could not begin until that condition had been met. The FRG government categorically rejected this demand, stating that the matter of Prussian cultural properties located in the three Western occupation zones and the three Western sectors of Berlin as of 9 May 1945 had been definitively settled in accordance with Allied law and FRG law based on international law. As a result, the cultural negotiations were broken off in October 1975. It was not until fall of 1982 that the GDR relented. At that time, Honecker proposed that the Prussian cultural pro-

properties issue be left out of the discussion and that negotiations on a cultural agreement be resumed. In September 1983, the second phase of the negotiations began. In November of last year, the two sides concurred on the wording of the agreement.

The decision to leave the property issue out of the discussion (as stated in the "joint protocol") does not mean, however, that the actual holdings of the Prussian Cultural Properties Foundation will also be excluded from inner-German and international exchange programs. In fact, it was one of the primary goals of the FRG government to make sure that the Prussia Foundation was included in cultural exchange programs. The foundation includes the 14 state museums, the state library, the secret state archives, the Ibero-American Institute and the Institute for Music Research with its museum of music instruments in Berlin. The foundation, which is funded by the federal government and all the Laender and has its seat in Berlin, is not merely expected to preserve and take good care of the cultural properties in its charge but also to augment the collections and to make them available for international cultural exchange programs. Until now, inclusion of the foundation in inner-German and international cultural exchange programs has been difficult because the GDR consistently refused to participate in exhibits in the FRG or in foreign countries which also included items borrowed from the foundation. Not a few museums both at home and abroad dispensed with the participation of institutes associated with the foundation so as to be able to obtain items on loan from the GDR.

In the course of the negotiations on the cultural agreement the GDR gave its verbal assurance to boycott the foundation no longer and to base participation in events in which the foundation is also involved solely on professional--above all on conservational--criteria. What value can be attached to this assurance, only the future can tell; but first indications are that the GDR is keeping its promise.

This assurance and the wording of the first sentence of the joint protocol which was proposed by the GDR means in effect that the GDR is prepared to accept the post-war situation, i.e. that those former Prussian holdings which were located in the West as of 9 May 1945 are the property of the FRG and those which were located in the Soviet zone of occupation and in East Berlin at that time are the property of the GDR. If both sides are now prepared to honor the other's rights of ownership--and that seems to be the case--then they could sit down and talk about each other's requests for the return of items not belonging to the former Prussian properties.

This latter issue is addressed by the second sentence in the joint protocol which refers to the intention of both sides "to resolve issues connected with properties relocated in wartime to the best of their ability." Although the cultural agreement has not yet been signed and no date has been set for its signing or enactment, representatives of the two sides have already met

twice to discuss the return of archive holdings relocated during the war. The FRG has an interest in getting back the Hanseatic archives of the cities of Hamburg, Lubeck and Bremen parts of which are presently located in the GDR and the GDR, for its part, is interested in Mecklenburg and Anhalt-Zerbst archives presently located in the FRG. Some of the problems encountered in these ongoing negotiations concern the exact determination of prior ownership. Items which were part of the responsibility of the ministry of science and education for the German Reich and Prussia until 1945 or of the minister president of Prussia are off limits because they are part of the Prussian cultural properties. Another problem is how to strike a balance between the requests of the two sides. There are more Western archives located in the East than there are Eastern archives in the West. Still, it should be possible to resolve the issue amicably, if a decision is made to turn to other cultural properties relocated during wartime after the archives have been dealt with.

The Bonn government has only been able to enter into negotiations with the GDR on the return of cultural properties relocated during wartime because the provisions of the 1965 property settlement law were changed. Previously, the law prohibited the transfer of cultural property belonging to public corporations, institutions or foundations established prior to 9 May 1945 in accordance with German law which did not have their last seat within the territorial confines covered by the Basic Law. Under the law, archive, library and museum holdings and other fine art and science collections, including their furnishings, belonging to such previous owners were transferred to the trusteeship of the Prussian Cultural Properties Foundation. The law further provides that a trustee is not empowered freely to dispose of such property. The Bundestag has now decided with the concurrence of the Bundesrat that the trusteeship of individual cultural items may also be terminated "if the minister of the interior decides to transfer them to individuals or agencies in the GDR or East Berlin." This new provision enables the Bonn government to return cultural items which proves that the government is serious about looking for ways "to resolve issues connected with cultural properties relocated in wartime to the best of its ability."

9478

CSO: 2300/191



POLITICS

POLAND

## PZPR PROVINCIAL COMMITTEES HOLD PLENUMS

### Kielce Plenum

Warsaw TRYBUNA LUDU in Polish 28 Jan 86 p 2

[Article by Tadeusz Wiacek: "Kielce: Are Youth Able to Advance?"]

[Text] At the 13th CC Plenum, a document was adopted that is entitled "Major Assumptions of PZPR Cadre Policy." Over 2 years have passed since the plenum. Therefore, it is now possible to make a more precise examination of how its provisions work, how they are implemented and how they are verified in practice. This was discussed on 27 January at a PZPR KW plenary meeting in Kielce.

During the period, changes were made in 463 administrative positions in the state and economic administration, the cooperative administration and the party apparatus. Some of these came about naturally. Most of the changes were dictated by the need to streamline the management of particular units. And why hide it--some of the management cadre were unable to cope with current demands. Moreover, the ethical-moral attitudes of some chiefs aroused serious reservations on the part of employee bodies. That the selection of the new cadres was well aimed is shown by the fact that during a cadre review made in 1985, only one person from this group received a negative evaluation. What is especially important is that the "cadre carousel" so severely criticized by society was eliminated, i.e., none of those dismissed for lack of competence or for ineffectuality were appointed to parallel positions. As was reported at the plenum, it is unfortunate that there are still cases in which these individuals are being defended both by some POP's and by employee self-governments.

It was noted that in general all party echelons have expanded their base for cadre selection. The statement was made that this is clear progress by comparison with previous years. At the same time, the still insufficient number of young people promoted to administrative positions is puzzling.

Why does this happen? The plenum revealed several answers to this question. In many party committees and enterprise administrations, "internal" opposition exists against promoting young people. In such cases, one usually hears the argument that except for professional expertise, young employees do not have

20 March 1986

extensive experience in managing groups of people. But where are they to gain such experience? Has this been facilitated for them? Such questions are perplexing.

On the other hand, one also notes the unwillingness of young people to hold administrative positions that obviously require a greater work input and responsibility above all. Although this phenomenon is uncommon, it should be considered more carefully both by party organizations and by youth organizations, for whom the struggle against the passivity of the younger generation is a primary task.

Hence what is foremost is the need for a certain amount of conscious risk taking, for the easiest thing is to close off the road to youth advancement. It was decided at the plenum that party echelons, enterprise managements and units of the state administration should verify their programs of working with young people. This is especially so since the share of youth in the cadre reserve is unsatisfactory.

The plenary meeting of the PZPR KW in Kielce was conducted by KW First Secretary Maciej Lubczynski. The tasks of the provincial party organization during the pre-congress campaign also were discussed during the deliberations. Docent Dr Zbigniew Dulewicz was appointed KW secretary for organizational affairs.

#### Opole Plenum

Warsaw TRYBUNA LUDU in Polish 28 Jan 86 p 2

[Article by Edward Filipczyk: "Opole: Self-Verification Helps in Work"]

[Text] The subject matter of the PZPR KW plenum held in Opole on 27 January was the implementation of the resolutions of the Party Provincial Committee in Opole following the Ninth Extraordinary Congress and the tasks of the provincial party organization preceding the 10th Congress.

The deliberations were conducted by KW First Secretary Eugeniusz Mroz. The plenum opened with reports on the implementation of the recommendations made at the preceding KW plenum.

In the report and during the discussion, that was participated in by over a dozen comrades, touched upon many subjects and at times was polemical in nature, an assessment was made of the difficult period for party work represented by almost the last 5 years. In the estimation of many of the discussants, this sort of generally critical view taken of our own work is very useful for molding the present and future of party work. During the past year, the numerical decline of PZPR ranks was halted in the Opole Province. More and more workers and farmers are joining the party, including young people as well.

It was emphasized that not only are scheduled verifications necessary, but the self-verification of the implementation of local resolutions in particular is becoming indispensable. This is also evident in the excessive

20 March 1986

number of such resolutions, causing the dissipation of means and methods and a formal, lip-service approach to them. Stanislaw Dzugaj from the OTMET Plant and Jozef Strzelecki, WKR chairman, spoke of this.

Andrzej Andraszak from Brzeg and Jerzy Wantula from Bierawa noted the need to implement recommendations made by the public that were adopted during the election campaign for the people's councils and the Sejm. Here much depends upon the attitudes of party members in the community. Party discussions prior to the 10th Congress should foster the activation of members and entire organizations on these matters as well.

The plenum confirmed the plan of the political-organizational execution of the congress campaign in the province. During the organizational portion, the former rector of WSI in Opole, Doc Dr Hab Zdzislaw Kabza was elected PZPR KW secretary by secret ballot.

#### Wloclawek Plenum

Warsaw TRYBUNA LUDU in Polish 28 Jan 86 p 2

[Article by Marek Badtke: "Wloclawek: Authority Is Gained Through Action"]

[Text] The peasant sees the truth and expects it from the forces that lead in the village today, said farmer Jozef Filipski from Skrwilno gmina at yesterday's (27 January) PZPR KW plenum in Wloclawek. Such a role falls to the party in the rural community. A strong party organization that takes the offensive is able to convince the community to blend skillfully vital rural matters with the assumptions of our party's farm policy.

Authority and the ability to lead are gained by the conscientious observance of the statutory assumptions of the PZPR and its active presence in the community. Do we manage, however, to accomplish this to a sufficient degree? How well do PZPR members that work in socio-vocational organizations and self-governments to popularize and mold party farm policy do? What are we doing to maintain close ties with the community?

These are only some of the fundamental questions contained in J. Filipski's speech.

The party discussion that began before the 10th PZPR Congress is a good opportunity for really taking stock of both the achievements and the shortcomings of entire POP's and particular PZPR members and candidate members. This must really be a time for serious reflection yielding useful conclusions for streamlining political work in rural areas, said those attending the plenum. Wieslaw Roman from Fabianki said that this applies as well to the party aktiv.

The results of political work in rural areas would be more significant if the aktiv utilized its potential skillfully. Wladyslaw Kubiak from Wloclawek said that it is imperative that rural young people be won over skillfully to party affairs. Meanwhile, appropriate forms of cooperation with the ZSMP, the ZMW and the ZHP have not been found in all gmina echelons.

20 March 1986

The resolution adopted at the conclusion of the deliberations, in which CC Secretary Henryk Bednarski participated, states that the varied level of the work of rural party organizations requires that decisive action be taken aimed at equalizing the level of political work and at strengthening and expanding party elements in the rural community.

### Przemysl Plenum

Warsaw TRYBUNA LUDU in Polish 28 Jan 86 p 2

[Article by Jan Mieszczak: Przemysl: An Assessment of the Development of Food Production: The PZPR KW and ZSL WK Joint Plenum]

[Text] On 27 January in Oleszyce, a joint plenary meeting of the PZPR KW and the ZSL WK in Przemysl was held at the agricultural schools group, outstanding in the Przemysl Province. The topic was an assessment of the development of food production in the province from 1982 to 1985 and the directions of development of the village, agriculture, the food economy and forestry through 1990. Participants in the plenum included PZPR CC Secretary Zbigniew Michalek and ZSL NK vice president, Deputy Premier Jozef Koziol.

It was emphasized that the actions embarked upon by PZPR and ZSL echelons and elements have enabled the attainment of good results in the agriculture of the province. This is of special importance in this region, where nearly two-thirds of the population lives in rural areas and farm lands and forested lands occupy over 90 percent of the total area.

It was stressed that we must be aware that many important tasks still await our solution, especially since the potential for the further development of farm production in Przemysl is still great.

The most urgent task at present, requiring the intensified activism of members of the party and the allied party, is the ordering of land management affairs.

The discussants devoted much attention likewise to problems of improving the social-essential conditions of rural residents. Jozef Koziol referred to this in his address.

Zbigniew Michalek addressed the issues raised in the discussion, stressing that, in accordance with the decisions made by the Ninth Party Congress and the 11th PZPR CC and ZSL NK Plenum, the basic goal in the field of agriculture and the food economy continues to be the maximum satisfaction of the growing food requirements of society and, thereby, constant concern over improving the living and working conditions of the rural population.

The plenum adopted a resolution specifying the directions of action and the tasks of special importance in the program of implementing the program of development of rural areas, agriculture, the food economy and forestry from 1986 through 1990.

8536

CSO: 2600/246



POLITICS

POLAND

## PZPR PROVINCIAL COMMITTEES HOLD PLENUMS

### Ciechanow Plenum

Warsaw TRYBUNA LUDU in Polish 24 Jan 86 p 2

[Article by Tadeusz Woicki]

[Text] "The tasks of party echelons and organizations in implementing the socioeconomic plan for 1986 in light of the 23d PZPR CC Plenum" and the plan of action of the provincial party organization up to the 10th Party Congress was the subject matter of deliberations of the PZPR KW Plenum held in Ciechanow on 23 January.

It was noted that last year's economic results in the Ciechanow Province were positive; in many fields they were better than results on the national level. Industrial production rose nearly 10 percent. Plans in housing construction have been implemented for 3 successive years. Favorable trends have been noted in agriculture and animal husbandry, as well as in the procurement of farm products.

It was also noted, however, that the definite progress cannot obscure the weaknesses that are still evident. Considerable unused reserves of production capacities still exist, especially in the construction materials industry.

It was noted that the planned development of the region can be achieved only through a basic improvement in all fields of management.

The campaign preceding the 10th PZPR Congress was discussed in terms of the implementation of complex economic tasks in 1986.

One of the discussants said: " 2 or 3 years ago, it seemed to many of us that it is enough to democratize life in the party, to create self-government, it is enough to say: 'we are implementing the economic reform' for prosperity to be achieved all by itself. Meanwhile, attaining economic stability is a much more complex matter. Many changes ushered in by the Ninth Party Congress, such as liberating human initiative and expertise and a new approach to one's work and to responsibility, are changes that must be made within people themselves."

Leszek Miller, director of the PZPR CC Youth, Physical Culture and Tourism Department, took part in the deliberations.



Sieradz Plenum

Warsaw TRYBUNA LUDU in Polish 24 Jan 86 p 2

[Text] The subject of the PZPR KW Plenum held on 23 January in Sieradz was the principles of the creation of the concept of socioeconomic development in the province from 1986-1990 against the background of the results of the 3-year plan for stabilizing the provincial economy and in light of the 23d PZPR CC Plenum.

Both in the report and during the discussion it was noted that despite the difficulty period in which the guidelines of the 3-year stabilization plan came to be implemented, in the most important spheres of operation, these tasks were fully implemented. Moreover, the results attained by industry, construction and agriculture were markedly positive.

The plenum resolution, that took the views expressed in the discussion under consideration, stated that real premises have arisen for improving the living conditions of Sieradz Province residents. It was proposed that the principle of earmarking maximum funds for capital spending projects that are highly efficient should be adopted as the basic investment criterion. Capital spending projects in the sphere of the food economy in the broad sense were recognized as priorities in the sector structure of the economy.

During the Sieradz Plenum, in which Marek Holdakowski, director of the CC Economic Department, participated, a resolution was passed concerning the tasks facing the provincial party organization before the 10th PZPR Congress.

Torun Plenum

Warsaw TRYBUNA LUDU in Polish 24 Jan 86 p 2

[Article by Marek Badtke]

[Text] Without substantial progress in the economy, it will be difficult to raise the living standard of working people--this was the basic motif of yesterday's (23 January) plenary deliberations of the PZPR KW in Torun. During the plenum, in which Politburo member, CC Secretary Marian Wozniak participated, tasks of the provincial party organization emanating from the 23d PZPR CC Plenum Resolution were outlined.

Torun is a region where the tasks of the past 3-year plan were implemented successfully. Industrial plant workforces increased production 15 percent over 1979 figures. Both the agriculture and the construction of the province are ranked among the foremost in the country.

This, however, is no cause for complacency. This was clearly evident both in the PZPR KW Executive Board report and in the lively, and sometimes controversial, discussion. The need to increase market production volume and to accelerate export necessitates the immediate rejection of stereotypical thinking and organizational schematics in favor of cost effectiveness.

Piotrkow Trybunalski Plenum

Warsaw TRYBUNA LUDU in Polish 24 Jan 86 p 2

[Article by Paulin Plominski]

[Text] The implementation of the 3-year socioeconomic plan and the tasks of the provincial party organization in implementing this year's plan were the major topics of the PZPR KW plenary meeting held in Piotrkow Trybunalski on 23 January.

PZPR KW First Secretary Stanislaw Kolasa was the chairman. Plenum guests included Politburo candidate member, PZPR CC Secretary Jan Glowczyk and Wladyslaw Honkisz, director of the PZPR CC Cadre Policy Department.

In making the executive board report, KW Secretary Tadeusz Szarlej stressed that during the past 3-year plan, industrial production in the region rose 46 percent. The diligent workforce of the BELCHATOW ZGE had the largest share in this. Although the construction of this enormous investment only recently passed the halfway mark, the utilization of the part that has been put into service is yielding great benefits to the national economy. During the past 3 years, miners exceeded their tasks by 5 million tons of brown coal and power industry workers produced an extra 4 million megawatt-hours of electrical power. Moreover, in the production of synthetic fibers, ceramic tile and furniture, the level of highest production achieved in 1979 was exceeded. Agriculture also attained good results, and from the viewpoint of livestock and milk procurement, the Piotrkow Province was among the leading throughout Poland.

During the deliberations, a detailed operating schedule was adopted for stepping up actions aimed at economical management and the battle against waste.

All party members also must assume responsibility for implementing programs of energy, raw materials and fabricated materials conservation, acting to make this a society-wide process in all fields of life and a permanent element for improving management efficiency and increasing production. The role of the party, in cooperation with unions, the self-government and youth organizations, is to inspire and carry out the economic education of workforces in this very direction. PZPR CC Cadre Policy Department Director Wladyslaw Honkisz stressed the role of the management cadre in implementing the policy of Poland's development.

Politburo deputy candidate member, PZPR CC Secretary Jan Glowczyk addressed the preceding issues, pointing out that they are currently an especially vital element of party discussion and activities, representing the basis for the recommendations and resolutions to be adopted by the highest party forum.

A program of political-organizational activities for the pre-congress campaign also was adopted during the deliberations.

According to Alfons Koscinski, at APATOR and in many other regional enterprises, such as the Grudziadz STOMIL Plant, by cementing cooperation with the employee council, the trade union and the youth organization, the party organization is inspiring an increase in production and improved labor productivity and product quality. The party should lead in the process of transforming the consciousness of workforces and aiming to increase management efficiency.

The Torun deliberations, however, lacked a critical party analysis of such negative phenomena as the incomplete utilization of work time, lax discipline and uneconomical management. Meanwhile, party organizations should give decisive battle to these very tendencies.

At the conclusion of the discussion, Politburo member, CC Secretary Marian Wozniak gave an address. He pointed out the need for further evoking a sense of thrift in society, for accelerating efficiency processes and for increasing the export-oriented economic activity of the region.

The potential for improvement must be utilized in full before the 10th PZPR Congress. The PZPR KW Resolution adopted at the end of this point of the deliberations stresses this. The plenum also adopted program-organizational assumptions for preparations for the 10th Party Congress.

8536

CSO: 2600/244

POLITICS

POLAND

BRIEFS

GOMULKA'S WIDOW HONORED--In conjunction with the edition that is underway of the collected writings of Wladyslaw Gomulka, Henryk Bednarski, PZPR CC secretary, and Wladyslaw Honkisz, chairman of the PZPR CC Team for Merited Activists of the Workers Movement Affairs, paid a visit to Gomulka's wife and faithful life comrade Zofia Gomulka, who is celebrating 65 years of activism in the revolutionary workers movement. Since her earliest years, Zofia Gomulka has been linked with the revolutionary workers movement and has been active in the ranks of the Polish Communist Party. She spent 7 years in a sanacja prison for her revolutionary activity. During Hitler's Occupation, she took an active part in the struggle as an activist in the Polish Workers Party. After the war she participated actively in rebuilding the devastated country and in preserving Poland's statehood through her work in the PPR and PZPR. This very worthy activist of the workers movement was awarded the Ludwik Warynski honorary party badge. PZPR CC First Secretary Wojciech Jaruzelski extended sincere greetings and best wishes for her good health. [Text] [Warsaw TRYBUNA LUDU in Polish 24 Jan 86 p 1] 8536

DEFENSE MINISTRY SOCIAL SCIENCE GROUP--On 23 January in Warsaw, the first plenary meetings of the new term for the MON Council for Social Science Affairs was held. The council is an advisory and opinion-rendering organ of the national defense minister for affairs of the development of the social sciences in the military, coordinating scientific research in the armed forces and dealing above all with the use of scientific achievements to improve training work in units and military institutions. Council chairman, chief of the Polish Army Main Political Directorate, Gen of Div Tadeusz Szacilo presented council members with their acts of appointment. The meeting was devoted to the role of the social sciences in developing the moral attitudes of soldiers and society. Col Prof Mieczyslaw Michalik, GZP WP deputy chief, presented a report on this subject. [Text] [Warsaw TRYBUNA LUDU in Polish 24 Jan 86 p 2] 8536

PZPR AGITPROP JOURNAL CELEBRATED--The monthly SUGESTIE is celebrating its 15th anniversary. On this occasion, employees with many years of service received state and ministerial awards. The state distinctions were awarded by PZPR CC Secretary Henryk Bednarski. Zbigniew Rossa, deputy editor-in-chief, received the Knight's Cross of the Order of the Polish Rebirth, Helena Krzymowska



20 March 1986

received the Silver Cross of Merit and Dorota Gajowiak and Tomasz Gronau were awarded the Bronze Cross of Merit. In congratulating the recipients, Henryk Bednarski emphasized the role of the complex ideological issues treated by the publication. Wojciech Rosiecki, editor-in-chief of SUGESTIE, said: "We wish to seek answers to the questions of how to propagate party ideas innovatively and how to present its goals." The SUGESTIE anniversary also was commemorated by its publisher, the "Prasa-Ksiazka-Ruch" Worker's Cooperative Publishing House. RSW Vice President Bronislaw Stepien awarded Helena Krzymowska the badge "For Service to the RSW." [By: MZ] [Text] [Warsaw TRYBUNA LUDU in Polish 24 Jan 86 p 2] 8536

MARITIME INDUSTRIES POLICY MEETING--NPSG assumptions for 1986-1990 in the field of maritime management and the program of development of the shipbuilding industry were discussed on 23 January by the Council of Ministers Planning Commission Presidium. Participants in the deliberations included: deputy member of the CC Politburo, Chairman of the PZPR CC Maritime Commission Stanislaw Bejger and PZPR KW First Secretary in Szczecin Stanislaw Miskiewicz. The deliberations were chaired by deputy premier, Chairman of the Council of Ministers Planning Commission Manfred Gorywoda. [Text] [Warsaw TRYBUNA LUDU in Polish 24 Jan 86 p 2] 8536

ENGINEERING, S&T MEETING--Representatives of the engineering profession and S&T associations met in Lodz to discuss the role and place of the engineering profession in the Polish economy. [Text] [Warsaw ZYCIE WARSZAWY in Polish 10 Feb 86 p 2] /9365

KATOWICE JOURNALISTS MEET--Katowice is the second largest journalist center in Poland after Warsaw. Representatives of senior editorial staff and basic party organizations working in the press, radio, and TV of this region met to discuss the following: opportunities for making wider use of the ideas and initiatives generated by members of the profession, fostering attitudes of a larger sense of participation, getting members of the profession more involved in general public debates on issues, and promoting a joint effort in drafting a program for the region and the nation as a whole as the campaign for the 10th Party Congress gets underway. Deputy Politburo member and PZPR Central Committee Secretary Jan Glowczyk participated in the meeting. Wieslaw Rydygier, chairman of the "Prasa-Ksiazka-Ruch" Worker's Cooperative Publishing House, was also present. [Text] [Warsaw ZYCIE WARSZAWY in Polish 10 Feb 86 p 2] /9365

FOREIGN AFFAIRS CONFERENCE--On 10 February 1986, a conference devoted to problems affecting cooperation with other countries in the areas of cultural and scientific affairs, and also in the area of information sharing, was held at the Ministry of Foreign Affairs. The undersecretaries of state of the concerned departments and institutions took part in the conference, which was chaired by candidate Politburo member, Minister of Foreign Affairs M. Orzechowski. Deputy Minister of Foreign Affairs J. Kinasz outlined the tasks awaiting them in these areas, based on recent crucial foreign policy directions.



20 March 1986

As a result of these discussions, the most important tasks affecting cooperation with other countries were identified. [Text] [Warsaw TRYBUNA LUDU in Polish 11 Feb 86 p 2]

**PZPR DRAFT PROGRAM TALKS**--On 10 February 1986 the party aktiv of Krakow's youngest district, Nowa Huta, discussed the PZPR draft program being prepared for the 10th Party Congress. Taking part in the discussion were Kazimierz Morawski, chairman of the PZPR Central Review Commission, and Jerzy Jaskiernia, secretary general of PRON's National Council. The meeting underscored the fact that the draft program is very ambitious but at the same time realistic. It was also noted that pre-Congress discussions provide the means to make improvements in the draft program. [Text] [Warsaw TRYBUNA LUDU in Polish 11 Feb 86 p 2] /9365

**PZPR IDEOLOGICAL CONFERENCE IN PILA**--A conference of the PZPR voivodship ideological aktiv in Pila opened the pre-10th Party Congress campaign in this region. Participants at the conference--which included PZPR Central Committee Secretary Henryk Bednarski--focused their attention on the problems related to the essential principles, goals, and ideological-political functions of the PZPR Draft Program and on a Marxist-Leninist analysis of the processes of building socialism. [Text] [Warsaw ZYCIE WARSZAWY in Polish 11 Feb 86 p 2] /9365

**TV JOURNALISTS, SIWAK MEET**--An open meeting of the basic party organization was held at the TV editorial and program office, during which Albin Siwak, PZPR Central Committee Politburo member, met with leading television journalists, both party and nonparty members. The meeting focused on the problems of upholding socialist morality, the rule of law and attitudes of party members, and also the tasks facing the party in the area of educating the nation's youth. [Text] [Warsaw TRYBUNA LUDU in Polish 12 Feb 86 p 2] /9365

**SOVIET-POLISH BORDER AREA COOPERATION**--On 11 February 1986, Jozef Baryla, PZPR Central Committee secretary, received a delegation of the Lithuanian Communist Party Central Committee headed by Secretary Nikolai Dybyenko. The delegation is visiting Poland on the invitation of the Suwalki PZPR Provincial Committee. They discussed the developing contacts between PZPR and CPSU party organizations, with particular attention devoted to the long-term friendship ties and traditions of the border regions. They spoke of the tasks facing their respective party organizations in preparation for the upcoming congresses of both parties. Taking part in the discussions were Ernest Kucza, director of the PZPR Central Committee Foreign Affairs Department, and Waldemar Berdys, first secretary of the Suwalki PZPR Provincial Committee. Soviet ambassador Wladimir Browikow was also present. [Text] [Warsaw TRYBUNA LUDU in Polish 12 Feb 86 p 2] /9365

**PARTY LIBRARIANS MEETING**--A conference of the National Party Librarians Caucus of the PZPR Central Committee Cultural Department was held on 12 February 1986. Representatives of university, polytechnical, and other academic libraries participated in the conference. They evaluated the current state of academic libraries and ways of developing them further. The Ministry of Science and

Higher Education submitted a report which underscored the fact that academic libraries form an integral part of the academic structure on the basis of their research achievements, that they are an essential element in the national network of research libraries, and also a fundamental link in the national system of scientific, technological, and economic information. [Text] [Warsaw TRYBUNA LUDU in Polish 13 Feb 86 p 2] /9365

POLISH-BULGARIAN TALKS--The minister of foreign affairs, Professor M. Orzechowski, met with the deputy minister of foreign affairs of Bulgaria, M. Zakhareva, on 12 February 1986. On the same day, Deputy Minister of Foreign Affairs J. Kinast and Deputy Minister M. Zakhareva signed an agreement furthering cultural and scientific cooperation between the governments of Poland and Bulgaria for the period 1986-1990. Senior officials of the Departments of Culture and Art, Science and Higher Education, and Education were present at the signing, as was the Bulgarian ambassador, G. Georgiyev. M. Zakhareva met with the director of the PZPR Central Committee Department of Culture, Professor W. Nawrocki, and also with the minister of culture and art, K. Zygulski, and with the deputy minister of science and higher education, Cz. Krolkowski. [Text] [Warsaw TRYBUNA LUDU in Polish 13 Feb 86 p 2] /9365

SUPREME COURT PARTY ACTIVITIES--Jozef Baryla, PZPR Central Committee secretary, met with the senior staff and party aktiv of the Supreme Court on 12 February 1986. The secretaries of the basic party organization informed him of party activity in the Supreme Court, while Professor Wlodzimierz Berutowicz, first president, and other senior staff members provided information on the activities of the Supreme Court with respect to Court rulings, verdicts, and crime prevention and education. These activities are aimed at enhancing the protective and educational function of the law, strengthening law and order and social discipline, and consolidating positive changes and tendencies in public life. [Text] [Warsaw TRYBUNA LUDU in Polish 13 Feb 86 p 2] /9365

BLOC JOURNALISTS VISIT OLSZTYN--A group of 30 persons, consisting of press attaches from socialist-bloc embassies and of press, radio, and TV correspondents from the same countries accredited in Poland, spent some time recently in the Olsztyn voivodship. Kazimierz Kozub, secretary of the ZSL NK [United Peasants Party Chief Committee], met with the guests. The foreign visitors were briefed on recent accomplishments and structural changes in local agriculture, which were credited to the implementation of the PZPR-ZSL agricultural policy, coordinated at the joint XI Plenum of the PZPR Central Committee and the ZSL NK. The visitors were hosted by the Provincial Committee of the ZSL in Olsztyn. [Text] [Warsaw TRYBUNA LUDU in Polish 10 Feb 86 p 2] /9365

CSO: 2600/297

POLITICS

ROMANIA

DELEGATION OF BRAZILIAN PARLIAMENTARIANS VISIT

Parliamentarians Arrive, Meet Giosan

AU221818 Bucharest AGERPRES in English 1721 GMT 22 Feb 86

[Text] Bucharest, 22 Feb (AGERPRES)--A Brazilian parliamentary delegation led by Jose Manoel Fontanillas Fragelli, president of the Senate and the National Congress of the Federative Republic of Brazil, arrived in Bucharest on 22 February upon the invitation of the Grand National Assembly. The delegation includes Marcondes Gadelha, Jose Ignacio Ferreira and Cid Feijo Sampaio, senators.

The guests were welcomed by Nicolae Giosan, chairman of the Grand National Assembly.

The same day, the chairman of the Grand National Assembly had an interview with the Brazilian parliamentarians.

Information was exchanged on the activity and preoccupations of the legislative fora in Romania and Brazil, and joint willingness was shown to expand cooperation between the two parliaments with a view to enhancing their contribution to the development and diversification of collaboration between the two countries and peoples.

The necessity was also stressed that the parliaments and parliamentarians all over the world should make a greater contribution to the establishment of a climate of peace, security and cooperation among all nations.

Carlos Dos Santos Veras, Brazil's ambassador to Bucharest, attended.

Radulescu, Vaduva Meet Parliamentarians

AU251936 Bucharest AGERPRES in English 1844 GMT 25 Feb 86

[Text] Bucharest, 25 Feb (AGERPRES)--Gheorghe Radulescu, vice-president of the Romanian State Council, received on 25 February the Brazilian parliamentary delegation led by Jose Manoel Fontanillas Fragelli, president of the Senate and of the National Congress of the Federative Republic of Brazil, now visiting Romania.

The Brazilian parliamentarians stressed on the occasion the high consideration enjoyed in Brazil by Romania's active foreign policy, by the activity deployed by President Nicolae Ceausescu on an international plane in view of building a world of peace, understanding and collaboration among nations. At the same time the guests expressed their admiration of the Romanian people's achievements.

During the interview that proceeded in a cordial atmosphere, emphasis was placed on the good Romanian-Brazilian relations of friendship and collaboration as well as on the possibilities at hand for their further amplification in the political, economic, technological, scientific, cultural and other domains. Current aspects of the international political life were also approached.

The same day, the Brazilian parliamentarians were received by Gheorghe Oprea, first deputy prime minister. During the talk, it was assessed that the economic potential of the two countries provided a favourable framework for the manysided development of the Romanian-Brazilian development. In this context, the measures to be taken to expand the bilateral economic collaboration and cooperation, on mutually advantageous terms, were examined. The need was stressed for concluding long-term accords and understandings to give stability and perspective to the collaboration between Romania and Brazil.

The Brazilian parliamentarians had separate interviews with Ilie Vaduva, foreign affairs minister, Vasile Pungan, minister of foreign trade and international economic cooperation, and Florea Gruia, minister secretary of state at the Ministry of Agriculture and head of State Agriculture Department.

#### Parliamentarians Conclude Visit

AU261848 Bucharest AGERPRES in English 1727 GMT 26 Feb 86

[Text] Bucharest, 26 Feb (AGERPRES)—On Wednesday, 26 February, the Brazilian parliamentary delegation led by Jose Manoel Fontanillas Fragelli, president of the Senate and of the National Congress of the Federative Republic of Brazil, who paid a visit to Romania at the invitation of the Grand National Assembly, left Bucharest.

In a statement made prior to his departure, Jose Manoel Fontanillas Fragelli, the head of the delegation, highlighted the deciding role of the summit dialogue in the manysided development of the Romanian-Brazilian links of friendship and collaboration. In that context, the results were underscored of the visit the president of Romania, Nicolae Ceausescu, paid to Brazil in 1975, which went down as a most significant moment in the chronicle of the relations between the two countries and peoples.

The guest also emphasized the importance of the meetings and bilateral talks for a better knowledge of the concerns of the peoples of the two countries, for the further development of the ties of productive cooperation between Romania and Brazil.

In his turn, Senator Marcondes Gadelha showed that the affinities of language and culture, the joint concerns for the stepped-up growth of the national economies were factors of rapprochement between the two peoples and favoured the development of collaboration between the two countries. He also pointed to the broad possibilities of expanding and diversifying the Romanian-Brazilian cooperation in machine building, agriculture, scientific and technological research, in culture and other areas of activity.

/9604

CSO: 2020/93



POLITICS

ROMANIA

SCINTEIA REPORT ON GORBACHEV L'HUMANITE INTERVIEW

AU131053 Bucharest SCINTEIA in Romanian 11 Feb 86 p 4

[Text] Moscow, 10 Feb (AGERPRES)--In an interview granted to the newspaper L'HUMANITE, Mikhail Gorbachev, general secretary of the CPSU Central Committee stated that Soviet society had entered a new stage of its history, the essence of which is the determined acceleration of the socioeconomic and cultural development and the utilization of all the existing resources in order to attain this target.

In his answers to some questions regarding the international situation, Mikhail Gorbachev reasserted the position of the USSR regarding the American program called "star wars" and stressed the fact that such a program is based on the erroneous concept of ensuring security primarily on the basis of technological-military means. Mikhail Gorbachev stated that the Soviet Government has in mind to ensure equal security for all by reducing arms and by achieving disarmament up to the complete elimination of all types of mass destruction weapons.

Asked whether, after the Soviet-American summit meeting in Geneva, there have been any signs of a resumption of detente in international relations, the secretary general of the CPSU Central Committee said: "In my opinion, in this respect we have to be cautious in making assessments. Yes, some signs have started to appear. The issue does not regard solely and mainly some progress attained in the field of Soviet-American relations; these relations are quite limited, peripheral, and do not refer to the fundamental problems. However, some changes in the political climate can be perceived. This fact revived some countries' hopes and confidence in the possibility of resuming detente, halting the irrational arms race, and developing a normal, peaceful international cooperation. This already means something real and substantial from a political point of view."

As regards Soviet-French relations, the general secretary of the CPSU Central Committee said that there are no particular obstacles in the path of developing these relations and that lately, some achievements have been registered in this respect. At the same time--Mikhail Gorbachev said--we would like to believe that our countries will be active partners in solving such problems of historical importance as: halting the arms race, completely eliminating nuclear weapons and other types of mass destruction weapons, and preventing the manufacture of offensive space weapons.

/9604

CSO: 2020/93

POLITICS

ROMANIA

BRIEFS

DASCALESCU MESSAGE TO IRANIAN PREMIER--Constantin Dascalescu, prime minister of the government of the SR of Romania, sent a cable to Mr Hosein Musavi-Khamenei, prime minister of the Islamic Republic of Iran, on the occasion of the country's national day anniversary, in which he conveys warm greetings and best wishes to the Iranian premier. The cable also notes that the intensification of cooperation between the two governments will contribute to developing mutually advantageous cooperation between the SR of Romania and the Islamic Republic of Iran. [Text] [Bucharest SCINTEIA in Romanian 11 Feb 86 p 3] /9604

FENCING COACH DEFECTS--Berlin, 16 Feb (DPA)--Stefan Kaukler, the Romanian national women's fencing team coach, has defected to the West during the seven nations' tournament in Parlin. Dagobert Remuss, the women's fencing coach in the German Fencing League, confirmed this at the location of the event in the Ruhemann Sports Hall today. According to newspaper reports, the 45-year-old fencing champion asked for asylum at the Marienfelde transit camp. The camp authorities have not confirmed this. West German participants in the tournament said, in answer to questioning, that the coach had not appeared in the Romanian team's hotel again on Saturday. As was learned in the Sports Hall, Kaukler had left his personal papers such as his visa, passport and airline tickets behind in the hotel. The Romanian delegation members, led by Aurelia Radina, the vice-president of the Romanian association, were not ready to respond to questioning today. The national coach is leaving his wife and daughter behind in his homeland. He comes from Transylvania. [Text] [Hamburg DPA in German 1043 GMT 16 Feb 86] /9604

EUROPARIAMENT MP DENIES 'DOUBLE-AGENT' CHARGE--Paris, 12 Feb (AFP)--Gustav Pordea, an extreme-right MP in the European Parliament who has been accused of spying for Romania, today denied a report in a Paris newspaper that he is a double agent working for French counter-espionage. Mr Pordea, speaking in Brussels, called the report, which appeared in today's issue of the daily LIBERATION, an "absurdity." He has consulted his lawyer. The report, one month before the French legislative elections, revived allegations about the former Romanian diplomat who won his Europarlament seat as a candidate with Jean-Marie Le Pen's National Front in June 1984. Mr Pordea, aged 69, sought refuge in France in 1948 and is now naturalised. Asked about the possibility that the press accusations might result in his European mandate being invalidated, Mr Pordea replied that no proceedings had been taken against him at Strasbourg, but that a parliamentary committee would study his case at its next session, scheduled for Monday. [Excerpts] [Paris AFP in English 1650 GMT 12 Feb 86] /9604

POLITICS

YUGOSLAVIA

WRITER ACCUSED OF CHAUVINISM ANSWERS CRITICS

Belgrade NOVE OMLADINSKE NOVINE in Serbo-Croatian 10 Nov 85 pp 7-11

[Interview with writer Brana Crncevic by Slavisa Lekic: "I Am Not a Nationalist, I Am Only National"]

[Text] "Any real personality has something unexpected and irregular in the proportions of his life and appearance. That is also the case in regard to him and with him. He has a black, dark surname ["CRN" in Serbo-Croatian means "black" -- a pun on Crncevic], but he is improbably and almost impermissibly blond. He is a Sremian by spirit and mentality, but a good half of him is Montenegrin. He was not born where his books and his literary birth certificate would suggest, in his native Ruma, but rather by chance, as if in passing, in the Banat Slovak village of Kovacica. He is hot-tempered and sharp-tongued, and can even be wicked and malicious, but he has a merry face and has two incomprehensibly round eyes that rejoice in the entire world and most of all in themselves. He combines the uncombinable: he is not serious about being a serious pessimistic optimist. He is simultaneously in love with dangerous and comfortable speech, with bachelors' jokes and the severity of aphorisms, and with crazy playfulness and bitter reproachful thoughtfulness. He writes easily and is carelessly scattered throughout newspapers and magazines, but in thought and expression he is a heavy-weight boxer with a good straight punch -- Brana Crncevic."

That is exactly how Borislav Mihailovic Mihiz, in his afterword to "Dreams Without Interpretations," Crncevic's just published book, "illustrated" this "lyric poet of our bitterness," "the tender modernizer of our poems for children," "a witty talkative chatterbox," "an epigrammist of the highest world rank," and his "friend of so many nighttime wanderings"... One could not look for a better introduction to an interview with one of the leading Serbian satirists, and at this time certainly the most widely read worker of Gutenberg's branch in Yugoslavia... And as far as a reason is concerned, there really are several of them: eight published books, several television plays and two theatrical ones, and 30 years of "involvement" with JEZ, POLITIKA, NIN, and DUGA, from which he was "fired and expelled more than once... and furthermore serving as a suitable 'teaching aid' so that new cadres could avoid their future" (Mihiz again).

"I have often been accused, and even today I am being accused of and abused for writing sometimes benignly and sometimes dangerously, for writing between the lines, on the left or on the right... I have not been attacked much, however, mostly because I write without hatred, which in practice means that I will not recruit a reader to hate someone along with me, but rather to become minority with me... In the second place, I rarely name a person. As the communists would say, I, like them, name a phenomenon, which is very important, because none of these people will be enough of an idiot to recognize himself and race around the city wailing that he is the one I am aiming at. This way they divide it up fraternally, and I will not let them catch me. I simply do not put myself in such a position, and they leave me in peace as long as they do, and when they need to, then they do not leave me in peace again.

Sometimes Great, Sometimes Barren

[Question] Nevertheless, you have often been in the situation of defending yourself from the "defenders of socialism."

[Answer] Starting somewhere around 1956, I worked for all of 15 years for JEZ, sometimes a little newspaper, sometimes a great one, sometimes barren, sometimes combative... During the period from 1958 to 1972, which is considered JEZ's most significant period because of its reputation and circulation, I also acted as a sort of leader at that JEZ... It was a time of a great journalistic flourishing, a time of freedoms and quasifreedoms, real and false sharpness, conflicts between left-wingers and right-wingers, and a manifestation of national interests for the first time since the war. Accepting the themes of the times, themes that were dictated, not by the authorities or by the opposition but by the people's main intelligentsia, we really had the most devoted readers then... Karadjordjevo came, though, and soon there was a meeting at which the Belgrade, i.e. Serbian, liberals were condemned, and it ended there... There was nothing left for me then but to take the doorknob in my hand and go out into the street...

[Question] Why did JEZ suffer?

[Answer] Actually, JEZ did not suffer anything in particular. In those years it was one of the few newspapers that accepted the struggle against the Croatian TJEDNIK and VUS, and it was the national counterpart to the Maspok. We took turns banishing each other... After the condemnation of the Serbian liberals, as opposed to the Maspok members, it was demanded that we admit that during that period JEZ was objectively a nationalist newspaper! Others admitted this; I did not. Others stayed there, and I did not! I left voluntarily, so I gave them a refusal because I knew that a time was coming, a time of people's self-humiliation, a time of renunciation, a time when people would say both what they thought and what they did not think, and I simply did not want to participate in that! I did not want to work for the kind of newspaper that it had to be in those years, and later they published some sort of announcement, I think it was from some party meeting, that in the future they would not print anything from nationalists, even if their names were Brana Crnoevic and Matija Beckovic. I stopped getting that newspaper then, and I have not seen a single copy of it since.



[Question] Even today JEZ has not recovered its former glory; on the contrary, in view of its editorial concept, it is becoming more and more inclined toward the sterile cultural influence of the other humorist-satirical newspapers!

[Answer] Since I do not read that newspaper, I cannot judge the present generation of the people at JEZ, but I believe that they are doing the only thing that can be done at this time... With the exception of JEZ during those 3-4 years, and without any exception for other newspapers, I consider newspaper satire to be absolutely state-oriented. I do not have too much faith in the possibility of satire in socialist countries. I believe that it exists, that it is possible, that it goes in impulses and waves; I believe that it has a sort of trivial, small effectiveness... At the present time the newspapers do not need satire, since it requires feuilleton handling, or some other form...

Today all the other news is more important than the jokes that you can make... A rape here, trains being stoned there, in the middle of the Assembly a delegate says that in the party's view enemies were speaking nine years ago, people talk exclusively about prices and difficulties... A joke is no longer a medicine here; it ceases to have a function, since the times are like this...

Time for Jokes

[Question] People say that it is difficult times that produce jokes!

[Answer] No, difficult times kill jokes, while vaudeville times, which is what they were until recently, produce good jokes. The best jokes are produced when freedoms pervade and surpass each other. This is why JEZ had that glorious period after 1968, because as its counterpart it had the Zagreb Maspok euphoria that automatically created room for a combative JEZ. At this time there is no chance for newspaper satire, since even statements by officials surpass it in their ingenuity.

[Question] Nevertheless, the last two "journalistic" October prizes in Belgrade were awarded to two satirists!

[Answer] These prizes are fair, but they are also a little funny. It means that the time has come to prove that we have that which we do not have. Time shows that we have paid attention to humor and satire because it is what we are said to need. It is what we do not need today, however. Among us, an ordinary cafe joke looks for a home in the newspapers, and lives there. Like the word nationalist, we take the word satire to mean the wrong things, absolutely the wrong things. This word does not mean a book, it does not mean a great satirical effort to say something about our times, and it does not mean organized thought, but rather literally a joke or an aphorism. It is being forced, however, and this is not serious work and it is what has given an awful lot of help to the impression of freedoms that actually did not



exist. I cannot be repentant enough that by editing JEZ I contributed to the creation of a terrible impression that 1971 was freer than 1970 and less free than 1974, for instance.

[Question] Pjer Krizanic was an advocate of the theory that "there is no humor or satire when you agree with your government."

[Answer] I did not have any opportunity to be involved in a serious conflict with the government because I worked for newspapers that agreed with the government, since any disagreement with the government or one of its decisions was a real accomplishment. It is not a question of agreeing or disagreeing with the government; it is a question of thinking differently and proving that you have a right to think differently. Not in everything, of course, but in certain things that cause you confusion as a writer and a person, regardless of whether these are issues from the national, state, or ideological realms. Thinking differently is an ancient human right, and respect for someone else's opinions, even when that person thinks differently, is more or less the basis, beginning, or center of every serious democracy. We have had great difficulties on this level, on this human level, on the level of these different views. I am from the postwar generation that did not remember much of the SKOJ, and I recall that even then, thinking the same way was the greatest pleasure of idiots. I think that we nevertheless crossed that road, and not just in literature, but also in politics. Thinking differently, of course, is not safe, since thinking differently does not mean that those who think the same way, and who think that they are the majority even when they are the minority, will not punish, overlook, and insult you, and that the air will not become thinner for you... Thinking differently does not even mean being inclined toward opposition; it simply means thinking differently. In this regard, we have had interesting and significant writers who adopted this right, enthroned it, and still adhere to it...

#### Against Oneself

[Question] Have you often "thought differently"?

[Answer] I never had any major, serious conflicts that ended in my wailing and lamenting, or in great attacks and protests. Several times, you might say, I was quietly fired and brought back. My entire relationship with the state, however, is only rebellious in my writing. I calculated that I have been expelled from television six times, and brought back the same number of times, mostly by the same people. They expel people when such a time comes for them, when they are told that there are a lot of people who are not liked, and then they bring them back... I am not angry... I even understand them, since in certain situations even they are completely helpless. When the authorities are against a poem, a play, or a writer, this is part of the nature of the business of the authorities; it has always happened and it always will happen. The real problems are not when they are against you, but rather when they demand that you be against yourself and against those who support you. This collaboration is terribly painful... For instance, it happened to me once that after the opening of the comedy "Kafanica, sudnica, ludnica" at Studio 212, some serious people called and asked me to be understanding because of their difficulties, since a couple of people at the

top, also serious, were against this play, and so it would be a good idea for me to disassociate myself from it and publicly attack my director, Ljubomir Draskic, in the newspapers for misunderstanding the script. Naturally, and fortunately, I did not do this, since it was equivalent to idiocy and suicide, both the suggestion and compliance with the suggestion... The play was performed more than 200 times.

[Question] Another of your comedies, "Zorzevi i zorze," was written back in 1972, and has still not been performed anywhere.

[Answer] I wrote "Zorzevi i zorze" after my departure from JEZ, i.e., when I had been out of work for a year, separated from the newspapers and current politics, without any self-censorship framework as in the newspapers, and I wrote this drawing-room comedy as I saw fit... It was a piece about 1968, but not particularly pretentious about anything. It was about a conflict between parents and children, and in translation, about a conflict between the authorities and the children who wanted to go out into the street... This seemed terribly dangerous to them, however; it was something that allegedly would destroy the foundations of society, and so the first time, at the Studio, it was cancelled by some ideological department of the City Committee. I was not angry at my friends at the Studio, and I even celebrated the cancellation with them. They were in a bureaucratic position, and I was in a free one. After two years, the Studio called me again, the rehearsals began, and again the same department cancelled the performance. We also tried later with the scene on Terazije, and I personally hired the actors, like Ljuba Tadic and the late Aligrudic. The performance was cancelled again, but this time with the explanation that it was being "preserved." And the fourth time, when the comedy came to the Studio's stage, the performance began to be followed by bad luck. First Soja Jovanovic broke her leg, and then Zoran Radmilovic, that splendid person, was no longer able to act, because he was literally dying on his feet... Naturally, I could not reproach him; we agreed that the play was not going well and we drank a glass or so... I was prevented by people, and he was prevented by God... He is in a worse position, however.

[Question] How did those quiet firings and expulsions from the editorial board "happen"?

[Answer] You see, there were several versions, mostly funny... For instance, POLITIKA, which I wrote for even before JEZ, remembered me at one time (and also helped me), and I was supposed to write some children's poem for some school page; and this was after a long time. And that poem reached the collegium at the POLITIKA house. One of those wise men, in reading the poem, combined his fear of the times, his age, and some misfortune of his own, and since at POLITIKA he shared responsibility with some fate of mine that was not clear to him, he decided that I should take a little vacation, and so I rested for another year... At the collegium, the poem was declared to be Stalinist, because it mentioned some man with a mustache behind a corner. Afterwards the same man approached me on the street to explain his fears to me, and as usual I was understanding. I couldn't tell them anything... They are all members of one people, absolutely amazingly arranged and divided, and they even say sincerely that they are not against me, and it is rather the times that are dictating such things. I really experience them that way...

## I Do Not Fight With Ladies

[Question] After a long time, you were sharply attacked again in a newspaper a few days ago, and declared a Serbian nationalist.

[Answer] I spoke at the unveiling of the bust of Dusko Radovic, and a day or two after that VECERNJE NOVOSTI responded. The text exists, I read it, and it is not nationalistic at all, but it is to some extent national. Since we tend to confuse these two terms, and since nationalist is a pejorative word to us, I use the word national a little instead of it.... I was urged to write to NOVOSTI, but since I write letters reluctantly, and then only when I am forced, and then I write in a group along with several "enemies," and since I learned that the initials V. Sl. concealed a lady, I refrained. As a rule, I rarely fight with ladies, and I prefer to buy them drinks. In the second place, the lady did not understand what I said there at all. I said that I was glad that Dusko Radovic had consented to pose for a bust, since he was otherwise shy and it did not resemble him; and I said that it was good that he had agreed to be a monument at a time when Serbian monuments were often desecrated. I do not know why NOVOSTI took this as an abuse of Dusko's death. There is even one part that made me laugh: the lady at NOVOSTI literally says that I stated that "Dusko Radovic was a Serbian genius," which I will also tell you, and which is not anything particularly daring, and which Dusko knew better than any of all those people who wept for him without any reason, and who considered him great because we said that he was great, since they had never read his works. The lady used this and one sentence that betrays her, that really betrays her position: "Dusko Radovic is not just a Serbian genius, since if he were Serbian he would not have been anyone's." This really entertained me so much that I did not even want to respond to her because of this, since this fits in with my assertion that sometimes Serbian geniuses are not anyone's.

## Change in Enemies

[Question] Nationalisms were sometimes positive, and had more than a positive historical role, but today nationalism has been named a cancer of fraternity-unity, the system and society.

[Answer] That is because we wanted it that way... No one urged us to have it that way, no one forced us... I recall, for instance, the period from 1956 to 1958, a time of so-called absolute fraternity-unity, workers' councils and self-management. The Chetniks, the Ustase, the White Guard, the Ballists, Ljotic's followers, and all of those foreign groups defeated in the war did not represent any danger at all anywhere, especially not in the newspapers. It was a time when internal party conflicts, Informburoists, and bureaucrats were much more dangerous, and when there was a weakening of the state mechanism, which was absolutely organized, and a Marxist weakening, a hunt began for enemies, and moreover reciprocal enemies. Now, obviously, a time is coming in which, in accordance with the Zagreb "White Book" and in general with the theories of the weakening of the state, the political leaderships of our six republic parties and the two provincial ones will offer each other a certain number of enemies. We have an unbelievably funny situation in which you can



no longer be exceptional and believe that you can be pure in the national or Yugoslav sense of the word... If Ustase appear somewhere, Chetniks "must" also appear; if the Chetniks appear, then what about the White Guard? And, I ask you, if the White Guard appears, then what is to be done with Ljotic's [Dimitrije Ljotic was the leader of the "ZBOR" organization, a rightist group, in Serbia] ideological nest? It is a rule that if something happens in Zagreb, Ljubljana, Pristina, or somewhere else, "something" "must" also happen in Belgrade, and absolutely nothing will help here, since there must be some measure of enemies that is constantly coordinated!

[Question] Belgrade is being associated more and more with the pretensions of the Greater-Serbian bourgeoisie.

[Answer] Belgrade, as the former capital, the place from which the Greater-Serbian bourgeoisie harshly ruled, has the unfortunate circumstance of always having been the target of all those who consider Belgrade or Yugoslavia or that notorious centralism to be open to question... It seems that before the war only the Serbs had a bourgeoisie! If this has to do with one king, who was after all killed, and another king, who after all fled, and if they can be associated with old Yugoslavia, how can one make the same association for these Serbs, these new Serbs (like new dinars), who were born after the war and who do not even remember that recent bourgeoisie. This whole theory about the Greater-Serbian bourgeoisie, about Slobodan Jovanovic, about the danger of the slogan "Serbs, assemble," is in my opinion purely frankovacka [an example of Croatian chauvinism], at least in literary terms. Josip Vidmar, for instance, in my newspaper, DUGA, calmly said that it is by chance that Slovenia is in Yugoslavia, which is a creation of the Serbs and Croats, and that the Slovenes both are and are not there! And now, since the old man was a fighter and a communist, someone will dismiss him because of his age, someone because of his years, someone will attack him, someone will not... It will still be considered that the Slovenes are interested in Yugoslavia as much as they are interested. The same thing can be ascribed to the Croats and Macedonians and Albanians and everyone... The Serbs are the only ones laboring under the terrible accusation that the others are interested in Yugoslavia for rational reasons, and that the Serbs are in love with it and that without it they would be no one and nothing. Others are attributed with understanding of the Yugoslav creation, a critical attitude toward it, a desire for it to be better, while the Serbs are believed to want Yugoslavia just as it is at any cost, and to want to have the leading role in it always, although the times are severely refuting this... I have not seen the Serbs exercise a leading role in Yugoslavia since I was born. The worst thing in all of this is that the theory according to which the Serbs play gendarmes and force the rest to be Yugoslavs also has adherents among Serbs. I was sincerely delighted by the statement by Slobodan Milosevic in the City Committee -- and it was apparently very serious -- that the Serbian party and the Serbian people no longer have any reasons or motives to keep paying and paying for the mistakes of the Greater-Serbian bourgeoisie. This amazing penance really does make me angry. How long will a people have to pay the price for a drink in which it did not participate, a drink regarding which it does not even know what it was like? What if it was lemonade, and not some bitter drink, as the historians and literature want to claim? And why does it bother someone if I claim that I am a Serbian writer? There will always be

ten idiots who think that this is terribly harmful to everyone else, and there will always be newspapers that want to think that by calling Dusko Radovic a Serbian writer, I want to use the late Dusko to destroy Yugoslavia.

#### A Person Wants to Be Gloomy

[Question] The politicization of literature and writers' struggle for a national language and culture are being identified more and more often with nationalism. Why do these conflict situations occur?

[Answer] There are different writers! There are great national writers who are always attacked ideologically for few or no reasons, and there are minor national writers who experienced the vaudeville period and are rushing to throw out as many national books as possible, as soon as possible. Some usable stupidity will be found, some stupid story or book, that can serve as the culminating proof for those who are uninformed and who are yelling at the top of their voices about nationalism penetrating literature. But there are amazing things... The novel by Boba Selenic, which was recently attacked by POLITIKA's increasingly more surprising cultural column and the increasingly more surprising Milos Bandic, is neither terrible, nor nationalistic, nor petty-bourgeois... It is a novel in which Boba Selenic tries through stream of consciousness to resolve some problems, some distances in time. According to Bandic, Selenic's main fault is that the hero of the book knows Slobodan Jovanovic and trusts Jovanovic a great deal. But who is this Slobodan Jovanovic that he can have such a critical influence on trends in Serbian criticism? But someone mentions him in the book, someone quotes him, and a rebellion occurs, virtually a fear of the defeat of the ideological and other forces... It turns out that Slobodan Jovanovic is one of the great national leaders of the Serbs of the present time, but the man does not have the status of citizenship here. I really do not know why there is such fear, and what point there is to these attacks upon a writer like Selenic. It is a disservice both to Serbia as a creation, to the Serbian party as a party, and to the Serbian people as a whole. Invented enemies, if they are persistently invented, can become realities in people's consciousness, and the influence that the state does not advocate can easily be extended. An attack upon a writer or upon writers must be absolutely high, esthetically literary, scientifically demonstrable, and thus above all competent...

[Question] Do you think that Milos Bandic is incompetent?

[Answer] Well, no, I don't... Bandic is quite competent; he is something quite different. He put his competence at the service of some sort of -- I do not like this kind of expression -- gloom. If a person wants to be gloomy, he succeeds... Well, let him, but I am surprised by POLITIKA, which is slowly taking over all the attacks, engaging in a struggle without checking, without 2-3 critics, without opposing views, without studies, without any right to think differently, which had not been the case from the origin of POLITIKA to the present day, until this past year... How is it that they only settle accounts with people?

[Question] POLITIKA was also the first one to rise up against Momo Kapor, without checking the facts.



[Answer] The "Kapor incident" arose as early as the appearance of the "White Book," which was perceived here in Belgrade, although it was not published, as a jesuitical police list of possible enemies in Belgrade (mostly). It is one of a group of attempts to prove that Belgrade is an underground in which various renegades are gathered, who are involved in anti-Communist and nationalistic philosophy and literature, and the creators of that list and the members of the same ultra-leftist left-wing faction never renounced it. It is in a steel safe, but it must be proven somehow that it was drawn up for absolutely valid and major reasons, and that Belgrade is a permanently hostile city. It cannot be proven who it is hostile to or why, but the fact is that such a theory is current. And look at what is happening: because of the strength of such repeated attacks, the people who run Belgrade have to meet such demands halfway. That was also the case with Kapor. He had already criticized the authorities once, if I may not seek some milder expression, and now when the news came that he had spoken in Ontario, Moma appeared to that Salih Zvizdic, or to some higher authorities, as Moma obsessively thinks, to be a good example of how Belgrade is nourishing every sort of flower of evil, since he, after all like me, was one of the 87 people on that dark Zagreb list. Above all, Kapor is not a person who becomes involved in incidents; he is a writer in a light genre and a feuilletonist who would not sell himself there for anything, a person who probably made fun of them in his statements, and a person who is not enough of an idiot to commit a series of stupidities against things that he personally believes in, and to serve things in which he personally does not believe. The real question, however, is why this was published first of all in VJESNIK, and why an effort was made to use Kapor to prove that Serbian nationalism is more dangerous than it actually is at this time.

#### Tendency Toward Dramatization

[Question] Do you think that the incident has been dramatized too much?

[Answer] Too much! We at DUGA, for instance, had terrible problems in connection with Kapor. We let him explain himself, without questions, and thus come forward himself with his arguments... On Tuesday, a day or two before the publication of that issue, there were unbelievable interventions, gloomy and impermissible, and even directives to stop the issue. When the article was published, however, it turned out that there was nothing terrible in it, that his defense mechanism was self-confident, and that nothing terrible happened over there in Canada. But this demonstrated our tendency to dramatize everything; it showed this surprising habit of ours, and proved the existence of an established theory about the index of names. It was nevertheless a good sacrifice gambit in which the hunters who caught Kapor were caught themselves. In this regard the matter is now quieting down -- OK, if not Kapor, we will find some other Chetnik if we need one.

In any case, we are the world's masters of dramatization, even of what is absolutely unnecessary... In our books, people are killed again exclusively out of fear that they might be killed again, the dead are resurrected, truths are verified because they were not written down in time and because they were proscribed... A book by a good writer like Dobrica Cosic is published, and

then we dramatize it so much that it reaches a point where the people, when "Kolubarska bitka" appears in the kind of situation caused by this dramatization, go there not because of the performance, but for the sake of the old Serbian uniforms... The actor didn't have to say anything; it was enough for him to wear the uniform of Commander-in-Chief Misić to get applause. That is that; this hysterically national time fits in with the hysterical needs for all freedoms, freedoms within the party, within the state, within the parliament, literature, sports...

[Question] In spite of the increasingly more significant political maturity of at least the younger generation, the democratic dialogue, and the increasingly greater tolerance, the issue of freedoms is being raised more and more often -- especially the freedom of creativity!

[Answer] A time has come in which no one knows any longer who is more capable than whom... We are so free that it is already a real insane asylum! We are either insane or free, since there is no one today who would do this to someone else... One should not forget, however, that we are a country that has adopted some sort of socialism, which won in our country through trends of some other type... The principle of the liberation of prose and poetry has lasted among us for a fairly long time, and that is why we now have all these disagreements and screaming and shouting. Those canons lasted for a long time, and now, when a book appears in which the writer questions something, instead of our reading this book in a literary manner, we shriek at the top of our voices, on all sides: this is about politics, and this destroys the foundations of the system, haven't we agreed on who won and how, and so forth... Even in terminology, literature was late in being liberated in our country, since for a long time we spoke, thought, and wrote in the language brought by self-management, in which every word was put in quotation marks. First you swear that you like this, and that you hate this, and then you attack this. These freedoms came to us fairly late and in a fairly tumultuous way, and consequently today we have freedom without accompanying criticism, or with accompanying criticism if it is negative... This freedom of ours is mostly infantile, and it acts that way... Doubts are not spoken now when everyone doubts; they are spoken in time and when everything that happens happens so suddenly and in such a confused manner that there is no longer a philosopher or scholar who can separate the real from the unreal...

[Question] These freedoms are often closely linked to the abilities of the journalist or writer!

[Answer] Freedom itself is the affair of authors... You can write for yourself, your soul, for the drawer... This freedom cannot be taken away from you, but when it comes out, then complications arise, since the question comes up of whether this freedom infringes upon some other freedoms. For instance, my own DUGA did not dare to publish an absolutely conciliatory joke of mine in this Serbian situation. But it is a natural statement that is derived from all of these polemics and discussions: "In the last war the Serbs had the most Chetniks and Partisans, and in that sense the Serbs were the ones who lost the war the most and won it the most." I really do not understand this country anymore when it comes to the national question. I understand the Serbs least of all; it is as though something atavistic came back to them, as though they

masochistically enjoyed their own persecution (I am thinking, for instance, about Kosovo, especially the writers and their appeal there). They turn this into statements like the one I just made, for instance, into letters, literature, mourning, theater, without any other actions... I am not thinking about violence -- let us understand each other -- but all of this is taking place without any real protests... This is the unbelievable misfortune of the Serbian people, and thus today it is wonderful to be a Serb.

9909

CS0: 2800/122

END

**END OF**

**FICHE**

**DATE FILMED**

8 April '86